



More Risks or More Opportunities?

DOMESTIC AND INTERNATIONAL ENERGY TRANSITION IMPLICATIONS ON THE FIDUCIARY RESPONSIBILITIES OF CORPORATE DIRECTORS IN THE PHILIPPINES

20 AUGUST 2021 | 2:00 PM - 5:00 PM

Concept Note

The Institute of Corporate Directors (ICD), together with the Institute for Climate and Sustainable Cities (ICSC), The Climate Reality Project Philippines, and ClientEarth, have organized a webinar on energy transition implications on the fiduciary duties of corporate directors in the Philippines, with international experience contributed by top legal minds abroad. The event webinar aims (i) to increase recognition among directors and officers of the Philippine banking sector of directors' duties in relation to climate and energy transition risks and (ii) to provide a platform for bank executives to discuss the sector's outlook in view of the Philippine central bank's sustainable finance framework and the need for financial flows to shift towards Paris alignment, with a focus on financing in the energy sector.

This webinar will cover key highlights of the study “Analysing Energy Transition Risks in the Philippine Power Sector” by ICSC, Institute for Energy Economics and Financial Analysis (IEEFA), and Carbon Tracker Initiative (CTI). The report underscores the fiduciary obligations of corporate directors amidst new government regulations on sustainability, current climate challenges, changes in power spot market operations, and green investment initiatives now made available for banks and financial institutions.

In addition to other factors driving trends in the Philippine power sector, banking institutions, financial corporations, and investment companies now face new challenges to their portfolios: the heightened impact of climate change and energy transition risks on the financial performance of businesses today. It is therefore critical for stakeholders to fully grasp the convergence of political and economic forces pummeling the power sector worldwide. Energy transition risks will continue to materialize and mature, generating significant threats to institutions still invested in fossil fuels.

The report¹ authored by ICSC, IEEFA, and CTI reveals rapidly developing transition risks and opportunities in the power sector by spelling out the speed of the energy transition in the Philippines and why sustained structural changes in the energy arena across the world will pick up even more momentum, driven by a combination of political and economic factors and growing stranded asset risks for coal in the country.

The fiduciary duties of corporate directors are embedded in the Philippine Corporation Code and highlighted in Securities and Exchange Commission (SEC) and Bangko Sentral ng Pilipinas (BSP) Circulars. The board of directors encompass corporate powers, conducting business and managing the properties of a corporation. In line with fiduciary duties and upholding best corporate governance practices, the SEC defined the general responsibility of the Board, to “foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders.” The essence of fiduciary duties of the board of directors is thus to ensure the long-term viability and profitability of the corporation they are helping govern.

The effects of climate and energy transition risks on a corporation’s financial performance are closely related to the profitability and viability of investing institutions. Banking and financial enterprises and investment companies can no longer afford to ignore or downplay the integration of managing physical climate and energy transition risks in its financing and investment considerations.

This webinar will provide space for leaders in the banking sector to recommend strategies that can benefit from lessons overseas, overcome barriers, and enhance opportunities for financial institutions to harness the expanding tide of energy transition opportunities in the Philippines.

¹*Analysing Energy Transition Risks in the Philippines Power Sector* is an independent report commissioned by the Department for Business, Energy & Industrial Strategy (BEIS). The views expressed in the report do not necessarily reflect the UK Government’s opinions and policies

Provisional Program

Time	Agenda item	Details
Open to the public via Facebook Live		
2:00 - 2:05	Introduction	Leonardo Jose M. Berba <i>CEO, ICD</i>
2:05 - 2:10	Opening Remarks	Pedro H. Maniego, Jr. <i>ICD Trustee, ICSC Senior Policy Advisor</i>
Presentations, moderated by Atty. Pedro Maniego, Jr.		
2:10 - 2:30	Highlights of the report analyzing energy transition risks in the Philippine power sector	Alberto Dalusung III <i>ICSC Energy Transition Advisor and NREB member</i> Sara Jane Ahmed <i>Advisor, V20 Group of Ministers of Finance</i>
2:30 - 2:40	International experience in identifying and managing climate-related financial risks and directors’ duties	Ellie Mulholland <i>Director, Commonwealth Climate and Law Initiative (CCLI)</i>
2:40 - 2:50	Experiences in engaging with the European banking sector on directors’ duties in relation to climate risk	Jamie Sawyer <i>Lawyer, Climate Programme, ClientEarth</i>
2:50 – 3:20	First round of Q&A	
Reactions, moderated by Nazrin Castro, Climate Reality Project Philippines branch manager and Climate Vulnerable Countries Support Program Fellow		
3:20 - 3:30	Paris Alignment prospects for leading Philippine banking institutions	Eduardo Francisco <i>President, BDO Capital</i> Jo Ann Eala <i>Vice President, BPI</i>
3:30 - 3:35	Updates on the Sustainable Finance Framework of BSP and the banking sector’s shift to Paris alignment	Lyn Javier <i>Assistant Governor, Bangko Sentral ng Pilipinas</i>
3:35 - 3:40	Opportunities for banks to accelerate the modernization of the country’s power sector	USec. Felix William Fuentebella <i>Department of Energy</i>
3:40 - 3:45	Energy Transition Council updates in the road to Glasgow and COP26	Kathleen Ann Capiroso-Coballes <i>Climate Change and Energy Attaché, British Embassy in Manila</i>
3:45 - 4:35	Open Forum	
4:35 - 4:45	Closing Remarks	Renato Redentor Constantino <i>Executive Director, ICSC</i>

About the Speakers



Alberto Dalusung III

Energy Transition Advisor, ICSC

Member, National Renewable Energy Board (NREB)

Bert has over 30 years of experience in the energy sector with particular focus on renewable energy development, national energy planning, and policy formulation. He served before as Director for Energy Planning in the Department of Energy, where he was involved in pioneering geothermal steam pricing, electricity cost structures and transfer pricing, national energy balance reporting and the conduct of nationwide household energy surveys. He is the former President of the Biomass Renewable Energy Alliance and was appointed by President Duterte as a member of the National Renewable Energy Board representing private developers.



Sara Jane Ahmed

Finance Advisor, Vulnerable Group of Twenty (V20) Ministers of Finance

Sara is the founder of the Financial Futures Center which aims to support climate prosperity in vulnerable developing countries. She is also part of the advisory board of various institutions including the Global Renewables Congress. She provides advisory support to governments and relevant partners on the energy transition, climate finance, and financial protection strategies. She steered efforts in the energy transition in the Philippines and Bangladesh as an energy finance analyst with the Institute for Energy Economics and Financial Analysis (IEEFA). She was previously an investment advisor for private equity groups specializing in originating and structuring energy opportunities. She holds an MS in Finance from the Simon Graduate School of Business, University of Rochester.



Ellie Mulholland

Director, Commonwealth Climate and Law Initiative (CCLI)

Ellie is the Executive Director of the Commonwealth Climate and Law Initiative (CCLI), a nonprofit at the forefront of legal research and stakeholder engagement on the intersection of climate and biodiversity risk and companies and securities laws. As Executive Director, Ellie leads a radical collaboration between partner organizations across the globe, including the University of Oxford, where she teaches an executive course on climate risk and climate liability, and MinterEllison, the largest commercial law firm in Australia and where Ellie works as a Senior Associate out of the London office. As a member of MinterEllison's market-leading Climate Risk Governance team and an Australian-qualified lawyer, Ellie provides climate and environmental-related risk management and disclosure advice to corporations across a diverse range of sectors and federal, State and local government entities. Ellie helps companies implement the recommendations of the Task Force on Climate-related Financial Disclosures and integrate climate risks assumptions into the financial statements. Ellie holds a Masters in law and finance from the University of Oxford and graduated top of her class with degrees in law and philosophy from Monash University, Australia.



Jamie Sawyer

Lawyer, Climate Programme, ClientEarth

Jamie is a Climate Finance lawyer at ClientEarth. She focuses on developing and implementing legal strategies to reduce the climate impact of and improving climate risk management in the banking sector. She also works on greening central bank policy and the financial response to the COVID-19 pandemic. Prior to joining ClientEarth, Jamie worked in the financial litigation practice of Simmons & Simmons in London, with a focus on banking disputes and regulatory investigations. She has also previously volunteered with environmental law and advocacy groups in the UK and North America. She holds a Master of Arts in Law from the University of Cambridge and a Masters in Environmental Science and Law from the University of Sydney. She holds a Postgraduate Diploma in Legal Practice and is qualified as a solicitor in England and Wales.

About the Reactors



Eduardo Francisco

President, BDO Capital

Eduardo V. Francisco is Executive Vice President, and President/Director of BDO Capital and Investment Corporation of BDO Unibank, Inc. He is also Co-Chairman of the Capital Market Development Council (CMDC) of the Philippines, Vice Chairman for International Association of Financial Executives Institutes (IAFEI), Treasurer/Trading Nominee of BDO Securities Corporation, and Chairman of Averon Holdings Corp. He also sits on the boards of Management Association of the Philippines (MAP), UP Development Center for Finance (UPDCF), CIBI Foundation, Valle Verde Country Club, Inc. (VVCC), and International School of Manila. He is also a fellow of the Institute of Corporate Directors (ICD), Shareholders Association of the Philippines (SharePhil), AFC Merchant bank, and a member of Rotary Makati West and the PLDT Bike King Triathlon Team. He was formerly the President of the MAP, Financial Executives Institute of the Philippines (FINEX), Wharton-Penn Club, Federation of Valle Verde Associations, First Valle Verde Association, Inc., and BDO Securities Corporation. He was also a previous member of Capital Markets Committee of the Bankers Association of the Philippines and the Strategic Advisory Committee of the Philippine Stock Exchange and the Makati Business Development Council. He was also previously on the boards of Foundation for Filipino Entrepreneurs (FFE), LGU Guarantee Corp., Investment Houses Association of the Philippines (IHAP) and BDO Strategic Corporation. Mr. Francisco has worked with other financial institutions in New York and Hong Kong. He holds a Master's degree in Business Administration from the Wharton School of the University of Pennsylvania and Bachelor's degree in Business Administration from the University of the Philippines. He is also a recipient of the Distinguished Alumnus Award from the U.P. College of Business Administration.



Jo Ann Eala

Vice President, Bank of the Philippine Islands (BPI)

Jo Ann Bueno-Eala is VP and Head of BPI's Sustainability Office, which oversees the development, execution and evaluation of ESG goals, policies, programs, and activities of BPI and its subsidiaries.

Jo Ann previously headed BPI's Sustainable Development Finance (SDF) program which ensures that BPI's loans for energy efficiency, renewable energy, climate resilience, green buildings, and sustainable agriculture projects are compliant with global standards and support the UN Sustainable Development Goals (SDGs).

BPI's sustainability initiatives receive local and international recognition for the cutting-edge innovations and the high ESG standards and practices they uphold and promote. BPI provides technological and financial advice as well as environmental risk management solutions that form part of loan packages given to both big and small companies.

Prior to her roles in Sustainability, Jo Ann had stints in BPI's Corporate Banking, Corporate Planning, and Asset Management Trust Corp.

Jo Ann holds a master's degree in Business Administration from the Ateneo Graduate School of Business. She also graduated with an Economics degree from the University of the Philippines where she garnered academic, leadership and service awards.



Lyn Javier

Assistant Governor, Bangko Sentral ng Pilipinas (BSP)

Lyn I. Javier is the assistant governor of the Policy and Specialized Supervision Sub-Sector in the Bangko Sentral ng Pilipinas, which is the policy and data arm of the BSP. Ms. Javier represents the BSP in the Basel Consultative Group and has been part of international working groups such as the Technical Working Group on the Basel Committee Core Principles for Effective Banking Supervision and in one of the Regulatory Consistency Assessment Program Assessment teams. Ms. Javier also represents the BSP in the accounting and auditing standards setting bodies in the Philippines.



USec. Felix William Fuentebella

Undersecretary for Planning, Investment, Media Affairs and DOE's Spokesperson, Department of Energy

Atty. Felix William Fuentebella is a current Undersecretary for Planning, Investment, Media Affairs and Spokesperson of the Department of Energy (DOE).

Prior to his current role at the DOE, he was tasked to lead the Power and Renewable Energy programs.

He hails from Tigaon, Camarines Sur where he served as Congressman of the Fourth (formerly Third) legislative district. As a member of the House of Representatives of the Philippines, he pursued several bills including the Anti-Money Laundering Act or the Republic Act 9160 and amendments to the Procurement Act or Republic Act 9184.

He earned his Bachelor of Science in Business Administration in 1997 from the University of the Philippines, started his Bachelor of Laws in the Ateneo Law School and continued it from San Sebastian College Recoletos Institute of Laws. He passed the Bar Examination in 2009.

He started his government career as a Political Affairs Officer from 1997 – 2000, as Chief of Staff from 2007 – 2010, Housing Commissioner of the Housing and Land Use Regulatory Board (HLURB) in 2010, and Deputy Secretary General of the Housing and Urban Development Coordinating Council (HUDCC) in 2011.



Kathleen Anne Capiroso- Coballes

Climate Change and Energy Attaché, British Embassy in Manila

She is the Climate Change and Energy Attaché at the British Embassy Manila and the key focal point on climate, energy and environment concerns. She also spearheads preparations for COP26 in the Philippines and leads the coordination of the Energy Transition Council national process. Prior to her employment at the Embassy, she had almost 13 -stint at NEDA where she led a division and handled climate change and environment management concerns. She obtained her Bachelor's degree at the University of the Philippines Los Banos and her graduate study at Wagenigen University and Research Center and University of Eastern Finland for her MSc.

About the Moderators



Atty. Pedro Maniego, Jr., FICD, PIE

*Trustee and Teaching Fellow
Institute of Corporate Directors*

Atty. Pedro “Pete” H. Maniego Jr. is a Fellow and Trustee of the Institute of Corporate Directors (ICD), and Chairman of ICD’s Fellows Committee and Strategy Execution Pathway (StEP) Committee. Currently, he is the Senior Policy Advisor of ICSC, Energy Advisor of the Climate Change Commission, Chairman of the Energy Lawyers Association of the Philippines, and consultant to several energy firms. As Chairman of the National Renewable Energy Board from September 2010 to June 2016, he spearheaded the implementation of the various mechanisms under the Renewable Energy Act leading to the installation of new renewable energy plants of around 2,000 MW. He was Co-Champion of the Power and Energy Working Group of the National Competitiveness Council from 2017 to 18, Chairman of the UP Engineering and Research Foundation from 2015 to 17, and Trustee of the Judicial Reform Initiative from 2017 to 19. At present, he serves as director of Armscor Global Defense Inc., RASLAG Corp., Chairman of Secure Arms Guns and Ammo Inc., Of Counsel of Dime & Eviota Law, Adviser to UPERDFI, and lecturer at the Ateneo School of Government, UP Law Center and ICD.



Nazrin Camille Castro

Branch Manager, The Climate Reality Project Philippines

Having worked for almost a decade in the development sector, Nazca has gained political and technical expertise on climate policy development and advised key government officials to help shape and advance the country’s climate agenda, specifically in strengthening climate finance access, youth and stakeholder engagement, and climate advocacy building, nationally and regionally. She led the organization of the 2016 CVF Leadership Events that launched the 2016 Low Carbon Monitor Report, one of the first reports on keeping the 1.5°C goal of global warming as well as the 13 panel sessions of the 2018 Climate Vulnerable Forum Virtual Summit, the first high level online dialogue with heads of state. She also engaged in collaborative researches on Sustainable Insurance Facility and climate risk insurance for the micro, small, and medium enterprises sectors of Vietnam, Indonesia, and the Philippines. She earned her degree in Political Science at De La Salle University, where she was an academic scholar.

This webinar is organized by:



The **Institute of Corporate Directors (ICD)** is a non-stock, not-for-profit organization dedicated to the professionalization of Philippine corporate directorship by raising the level of corporate governance policy and practice to world-class standards.

The ICD is the leading institution in the field of corporate governance in the Philippines. It is the officially designated Domestic Ranking Body for the ASEAN Corporate Governance Scorecard (ACGS), a rating system designed to raise the corporate governance standards of ASEAN countries. The Institute is composed of over 300 professional directors practicing ethical governance. ICD's Fellows and Members are committed to a shared vision of a transformed corporate governance ecosystem that bears the fruits of corporate and individual social responsibility. ICD is accredited with Securities and Exchange Commission, the Bangko Sentral ng Pilipinas, the Governance Commission for Government-Owned and Controlled Corporations, the Insurance Commission, the Career Executive Service Board, and the Civil Service Commission.



The **Institute for Climate and Sustainable Cities (ICSC)** is an international non-government group advancing fair climate policy and low carbon, climate-resilient development. Based in the Philippines, it is engaged with the wider international climate and energy policy arena, particularly in Asia. It is recognized for its role in helping advance effective global climate action and the Paris climate agreement.

The ICSC advises the Climate Vulnerable Forum (CVF) and Vulnerable Twenty Group of Finance Ministers (V20), and convenes the Adaptation Finance Accountability Initiative Plus (AFAI+). The organization also provides technical and economic analysis on key issues in order to accelerate the transition to reliable, affordable and sustainable energy systems.



The **Climate Reality Project Philippines** is the country chapter of The Climate Reality Project, an organization that aims to catalyze a global solution to the climate crisis by making urgent action a necessity across every sector of society. It is founded by former US and Nobel laureate Al Gore and has trained over 21,000 Climate Reality Leaders in 154 countries to help find solutions to the global climate crisis.

The Climate Reality Project Philippines, hosted by ICSC, re-launched in 2020 with a new approach to place its roster of Pinoy Climate Reality Leaders and their initiatives at the core of its action plan. The Branch provides capacity development services to its diverse and thriving community of 1,200 Pinoy Climate Reality Leaders from the public, private, and youth sectors to empower them to promote renewable energy, sustainable urban mobility, and other development approaches in pursuit of genuine and lasting climate resilience for the country.



ClientEarth is an environmental law charity that uses the power of law to bring about systemic change that protects the earth for – and with – its inhabitants. ClientEarth works in partnership across borders, systems and sectors, ingeniously using the law to protect life on earth, and to bring about end-to-end systemic change: informing, implementing and enforcing the law, advising decision-makers on policy, and training legal and judicial professionals.