

Safeguarding our communities through the Covid-19 pandemic

By [Olga Arara-Kimani](#) 6 Jul 2020

Financial leaders are at a tipping point. The choices they are making today will become the bedrock of the industry for years to come. Most organisations have been forced to respond to the Covid-19 pandemic without the luxury of time to consider implications on longer-term sustainability. This begs the question: How can financial executives ensure that the decisions they make today are feasible in a post-Covid future and contribute to a more resilient tomorrow?



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At this point in time, private organisations are actioning operational and organisational decisions with profound implications on their local communities, with a generational impact on how they care and indeed, are there for their workforces and the markets in which they operate in. As such, these organisations must understand the needs of specific groups who might experience barriers to accessing information, care and support while engaging with communities and larger populations in the response to the immediate crisis. Similarly, enterprises looking to engage with their communities must consider the threat of a potential irreversible economic downturn and a seismic shift in the way industries operate as possible obstacles.

Power to avoid a potential recession

To that end, banks, specifically, have the power to avoid a potential recession and maintain the operation of several businesses throughout the region through the efficient provision of liquidity and support measures. Across Africa, upwards of [20 million job losses are expected](#), whereas in the United States, [over 40 million jobless claims have already been made](#) as a direct result of the pandemic. This points to a larger issue regarding profitability for corporations across the region, as well as operational stability caused by the pandemic.

At Standard Chartered, we have introduced numerous solutions to alleviate the financial burden implicated

on clients during this period of uncertainty. As the pandemic took hold, the bank launched a series of charitable funds and financial assistance to aid those affected. Through our global commitment of \$1bn to finance businesses that aid in the abatement of the crisis, we are hopeful that long-term progression in markets is viable. Likewise, in March, we launched a \$50m global relief fund to directly aid those impacted by Covid-19 and support emergency efforts led by charitable organisations across the globe.



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Reminder of our interconnectedness, vulnerabilities

Covid-19 has presented itself as a powerful reminder of our interconnectedness and vulnerabilities. The virus respects no borders, meaning that combating it calls for a transparent, robust, coordinated, and nationwide response. Tackling the pandemic is a shared effort intertwined with health, social and economic issues and minimising its impact on these factors remains our absolute priority.

We are continuing to present a united front against this common threat. As of May, our donations to philanthropic organisations, such as the Red Cross and Unicef, as well as local non-government organisations (NGOs) and government partners in Africa and the Middle East totalled \$11.8m. These funds were directed to provide emergency relief in countries across the region impacted by the pandemic. Funding to Unicef for example will support the immediate protection and education of vulnerable children in Pakistan and eight markets in Africa and other such activities remote education via TV, radio, online and mobile platforms. The capital will also aid in funding child protection measures, including alternative care arrangements and family tracing services for children separated from their families due to Covid-19, training for social workers to conduct home visits to vulnerable children for mental health support, and alternative care and protection services for children of parents or caregivers affected by Covid-19.



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Looking to financial institutions for guidance

This commitment has been vital as we find ourselves at the cusp of a potential financial crisis. Banks lead the way in providing efficient money management services and consumers will continuously look to these institutions for guidance. If we can set a precedent with our commitment to encourage other leading institutions to follow, then we stand to contribute tremendously to the abatement of this pressing crisis.

To aid in relieving the financial burdens imposed by the pandemic on our clients, we've introduced numerous measures ranging from short-term payment holidays, the extension of the tenure of a loan, the option to pay interest only on the component of the loan or offering discounts on domestic payments via Striaight2Bank.

Shift in thinking needed

To continue adding value during the crisis, companies need to shift their thinking. Public-private partnerships

are emerging, supported by a surge in solidarity funds across the continent. Covid-19 is creating new needs while enforcing enormous financial pressures across a broad spectrum of society. From medical and public health needs related to the response, to economic uncertainty impacting vulnerable populations, Covid-19 is creating unmet needs above and beyond the standard.

As such, non-profit organisations working directly to meet those needs require more resources to do so, however, all charitable entities are feeling this pressure, even if they are not directly responding to the crisis. The economic uncertainty may cause many donors to dial back. Many non-profits have had to cancel their usual programmes and fundraising events out of concern for public safety, while most of them have limited financial reserves to carry them through lean times ahead, putting them in a difficult predicament. To aid in the continuation of their philanthropic efforts, banks can strengthen their sense of purpose as they fulfil a social mission that supports households and businesses with access to credit and reclaim the bank's value proposition.



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Role of private sector in collective action

Similarly, containing the pandemic's economic impact is not only a government task, but a collective action that the private sector must play a role in. Businesses throughout the region are contributing to this shared cause and are constantly working in unity to ensure that support is provided in as many countries and areas as possible.

The bank is in touch with manufacturers and distributors in the pharmaceutical industry through to healthcare providers to help provide our communities with these vital funds. This commitment has already seen Joint Medical Store, a leading Ugandan not-for-profit organisation, become the first client to make a drawdown under the bank's \$1bn financing commitment.

Public-private partnerships

As the fallout from the crisis continues, the private sector must continue to partner with non-profit organisations and government institutions to ensure the resiliency and stability of local communities. Through the provision of financial relief programmes and medical support, these measures must be implemented as a collective responsibility. As the industry adjusts to shifts in the economic landscape, reimagining may be essential, given emerging challenges facing communities, businesses, and the healthcare industry. These efforts can play out in the informal sector as well. From financial services to health issues, value chains have multiple entry points to change the relationship between businesses and citizens.

To that end, organisations can no longer remain focused on their products and services. They serve as a vital piece of a dynamic puzzle and can make a significant difference by collaborating with a purpose. The question for all leaders to address will be how to partner with the public sector to adapt and learn from the plethora of innovations and experiments applied to supporting and uplifting the local community in times of uncertainty. On the African continent, specifically in Kenya, the United Nations launched a flash appeal alongside numerous NGOs seeking over \$267m to aid in the relief of 10 million of the country's most vulnerable people, which is complementary of the ongoing efforts extended by the nation's government

authorities. Similarly, in Kenya, the UN has built a model to [catalyse public private action: the SDG Partnership Platform](#), led by the government's leadership.

Words and actions will be remembered

While companies' actions will be remembered during this time for communities and businesses, so will words. As organisations operating within these communities, there is a duty to care for them. The financial world can be daunting for many and difficult to navigate, when the matter is, in fact, a simple one. In times of uncertainty, people are looking to ensure that their money is safe, and are, more than ever, seeking guidance regarding their financial statuses. We must remember that we are institutions that communicate largely with communities that face significant fears and need reassurance. We have made sure that our customers are aware of their options across all of our channels. We have a duty of care which is to inform and reassure as well as listen.

Only by listening to our communities do we know what is keeping people awake at night, and knowing how we can address these issues and find solutions will keep our economy going and instil confidence in our consumers. What we do today determines what we become tomorrow. This serves as the primary reason for our continued action today to support businesses, communities, and individuals, as we aim to foster a better tomorrow.

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