# VIRTUAL TRAINING PROGRAMME ON ENVIRONMENTAL AND SOCIAL RISK ANALYSIS WORK PLAN

| Day | Activity | Time (hours) |
|---|---|---|
| | **Module I – Introduction to Sustainable Finance** | |
| 1 | **Reading:** Sustainable Finance | 2 |
| 2 | **Case study:** *Banco Cuscatlán de El Salvador, S.A. – Environmental Management System* – Analysis and discussion. | 2 |
| 3 | **Forum 1:** *Banco Cuscatlán de El Salvador, S.A – Environmental Management System*<br>Participants will answer one of three questions on past and recent trends in sustainable finance and the experiences of Banco Cuscatlán, and debate or reinforce one of the responses from course colleagues. Each participant should make two interventions in the forum. | 2 |
| | **Module II – Identification of Environmental and Social Risks** | |
| 4 | **Reading:** Introductions and chapters 1 to 3, and corresponding annexes of working document Environmental and Social Risk Analysis in Financing Decision Making – A Methodology<br>**Case study:** CELCO – Individual analysis | 2 |
| 5 y 6 | **Exercise 1:** Complete form ESRA 1 for a financing request of the participant's financial institution (FI) and prepare a high-level screen of possible impacts of a client's activities and/or environment-related risks that the client may be exposed to how these could present a risk to the FI. For the report participants will be required to prepare a brief description of the client business and financing request. based on the information presented in the ESRA 1 form: situation analysis, business activity, raw materials requirements, management and control measures, track record | 4 |
| 7 | **Forum 2:** *Experiences in the environmental and social risk identification process*<br>Based on experience gained from Exercise 1, participants will discuss the obstacles, benefits, and challenges their FI faces in implementing a procedure for the identification and management of environmental and social risks in their portfolio. They should also debate or support comments of another participant. Two interventions are required per participant. | 2 |
| | **Module III – Classification** | |
| 8 | **Reading:** Chapter 4 (Classification), and corresponding annexes of working paper Environmental and Social Risk Analysis in Financing Decision Making – A Methodology. | 1 |
| 9 | **Exercise 2:** Participants will complete the ESRA 2 forms for the case used in Exercise 1 the first for the request for financing used in Exercise 1; A report should also be presented which indicates the category assigned to the Client activity, including a presentation on why the items market "Yes" in the ESRA 2 form are a cause for concern and what information will be required from the Client for the | 2 |

| | | |
|---|---|---|
| | FI to undertake an adequate environmental and social risk assessment | |
| | **Module IV – Analysis and Evaluation; Opinion and Recommendations** | |
| 10 | **Readings 1 & 2:** Environmental and Social Risk Analysis in Financing Decision Making – Methodology. Environmental and Social Due Diligence (ESDD), Opinion and Recommendations – Categories A & B projects.<br>**Reading 3:** Case study *DuPont – El Nuevo Herald*. | 2 |
| 11 | **Exercise 3:** Participants are to complete forms for evaluating a Category B funding request project from Exercise 2 and make recommendations (commitments or requirements of the client) on the approval or rejection of the project.<br>**Observations:** If participants do not have a Category B request, they will work on given Parts I and II of the *Marsella Dairy* case study, and forms ESRA 1 and ESRA 2. | 3 |
| 12 | **Forum 3:** *Analysis and Evaluation; Opinion and Recommendation for Category A and B Client Cases*<br>In this forum selected participants will make a presentation on each of their projects for financing to a credit review committee. This committee will comprise other course members who will make comments supporting, rejecting, or postponing approval of the projects presented, and justify their decisions. | 2 |
| | **Module V – Environmental and Social Risk Management** | |
| 13 | **Reading:** Environmental and Social Risk Analysis in Financing Decision Making – Methodology – Environmental and Social Risk Management.<br>**Case study:** *Marsella Dairy* – Part III.<br>**Case study:** *An FI Environmental and social risk management system*. Individual analysis. | 2 |
| 14 y 15 | **Final exercise:** Based on participants own experiences and from the cases shared participants are to prepare a presentation on *either*:<br>1. the case for implementing an environmental and risk assessment process, its design and the additional resources, expertise that will be required for setting it up and day to day implementation; *or*<br>2. the case for improving an existing environmental and social risk assessment process; the design of the new system and additional resources and expertise that may be required | 4 |

## ACTIVITY EVALUATION SYSTEM

The tutors will be charged with evaluating academic activities. A minimum mark of 70% (3.5) of the final mark – 5.0 being the highest qualification – is required to pass the course. Percentages and their equivalents can be seen in the following table.

**Table 1: Evaluation of activities**

| Activity | Percentage of final mark | Equivalent in final mark |
|---|---|---|
| **Forums 1 – 3** *(maximum qualification per forum 5.0)* | 40% | 2.0 |
| **Exercises 1 – 3** *(maximum qualification per exercise 5.0)* | 40% | 2.0 |
| **Exercise 4** *(maximum qualification 5.0)* | 20% | 1.0 |
| **Total:** | **100%** | **5.0** |