



COMPREHENSIVE TRAINING ON
ENVIRONMENTAL & SOCIAL RISK
MANAGEMENT (ESRM) FOR
FINANCIAL INSTITUTIONS
(EXECUTION LEVEL)

Supported by:



Background

With a view of integrating sustainability into credit risk management in the financial sector, Nepal Rastra Bank released the Guidelines on Environmental & Social Risk Management (ESRM) for Banks and Financial Institutions in 2018. The objective is to establish the ESRM Framework as the standard process for proactive evaluation and integration of environmental and social issues into the credit risk assessment process of B/FIs.

In this context, NBI, in partnership with IFC (India) & ERM, is pleased to present a 2 day training that aims to provide an opportunity for participants to learn about the current international best practices in E&S risk management in financial institutions (FIs), and understand how their implementation improves the performance of institutional portfolios, generates business opportunities, and strengthens competitiveness.

Program Details

Date & Time: 23rd Dec (9: 00am –4:45pm) 2023

Duration: 4 sessions

Venue: Tuki Resort, Pokhara

Program Detail

Program Objectives:

- Discuss & understand how banks can effectively implement E&S Management System/ Environment, Social and Governance (ESG) issues and integrate E&S risks into their credit appraisal process
- Understand how the implementation of ESRM improves the performance of financial institutions and their competitiveness through sustainable banking
- Understand and be able to convince the client and frame appropriate covenants to protect the interest of the bank in the process of regular enforcement of E&S standards.
- Understand and implement the regulatory requirement of ESRM Guidelines of Nepal Rastra Bank
- Become aware of current international best practices in E&S risk management in financial institutions

Target Group:

Relationship Managers, Branch Manager, All Front Sales and Credit Risk Team.

Program Delivery:

- Slide presentation and discussion
- Quiz
- Experience sharing
- Brainstorming through pictures and video content
- Group activity on case studies.

NATIONAL BANKING INSTITUTE LTD.

Central Plaza, 6th Floor, Narayanchour, Naxal, Kathmandu, Nepal.

T : 977-1-4415903/905, 4436001 • F: 977-1-4441351

info@nbi.com.np • www.nbi.com.np

Curriculum Outline

Headings/Faculty/ Session	Contents/ Activities	Takeaways
<p>Session 1</p> <p>⇒ E&S Risks Landscape & Sustainable Finance</p> <p>⇒ International Standards Landscape</p>	<ul style="list-style-type: none"> • Overview of global risk report • Nepal Context – risk of doing business • Risk for FIs from failure to manage E&S Issues. • Emergence of sustainable finance – what, why & how? • Evolution of international frameworks. • Roles of prominent international bodies / protocols • Highlights on Equator Principles • IFC Performance Standards 	<ul style="list-style-type: none"> • Understanding of role of bank in environment protection and sustainability finance <p>⇒ Participants will understand the emergence and commitment on E&S by international bodies/ protocols</p>
<p>Session 2</p> <p>⇒ ESRM Guideline procedure, ESDD implementation and ESMS integration</p>	<ul style="list-style-type: none"> • Objective of ESRM • Guideline Applicability • ESRM Procedure ⇒ Appraisal, Decision Making and Monitoring • ESDD Process steps - Step 1 to Step 8 • Understanding of ESDD Process and its Outcome. • Understanding of Annexures • E&S Risk Rating & Escalation • ESMS and Integration into Bank Credit Risk Management. • Components of an ESMS • E&S Capacity Planning ⇒ Org chart, Roles & responsibilities. • Activity – Short video clip on managing E&S risks and ESMS opportunities for banks. • Quiz: Brain teaser on ESRM procedure. 	<ul style="list-style-type: none"> • Knowhow on procedural steps of ESRM guideline. • Good understanding of enforcement of ESMS and integrating with the bank's CRM process. • Convince client in regular enforcement of E&S standards. <p>They will be able to frame appropriate covenants in the loan agreement to protect both Client and Bank against E&S Risks.</p>
<p>Session 3</p> <p>⇒ E&S Risk Monitoring & Reporting</p>	<ul style="list-style-type: none"> • Phase-wise monitoring • Aspects to be covered during monitoring • Internal & External Reporting 	<p>- Understand the method of monitoring and the significance of internal & external reporting.</p>
<p>Session 4</p> <p>⇒ Climate Risk to BFIs</p> <p>⇒ E&S Risks in Projects such as hydropower / cement/other relevant sector and their Deep dive</p>	<ul style="list-style-type: none"> • Climate related risks to BFIs ⇒ Physical risks ⇒ Transition risks ⇒ Impacts of climate risks • Regulatory overview of the sector • Key E&S Risks associated with the sector • Key H&S Risks associated with the sector Group Activity: • Group exercise related to the sector to understand E&S risk and their management. • Video clips on E&S Risk Management 	<ul style="list-style-type: none"> • Participants while performing ESDD will understand the requirement to consider climatic risks and potential mitigation measures. • They will have deep understanding on E&S Risks associated and their management in large projects & Industries.

Facilitators' Profile



Mr. Hemanth Raj Angdembay

Banking Expert

Mr. Angdembay has worked with Standard Chartered Bank Nepal for 22 years with 14 years of experience in managing SCBNL retail products, including 12 years of handling home loan products. He holds MBA degree from Ace Institute of Management, and has undergone training in areas like, sales & marketing, presentation, facilitator skill training, negotiation skills, time management, along with trainings such as Great Manager Programs, Leadership training etc.