

Sapience Consulting Europe – Sustainable Finance

New: ESG and Climate Finance loans structuring for Practitioners – 4 hours

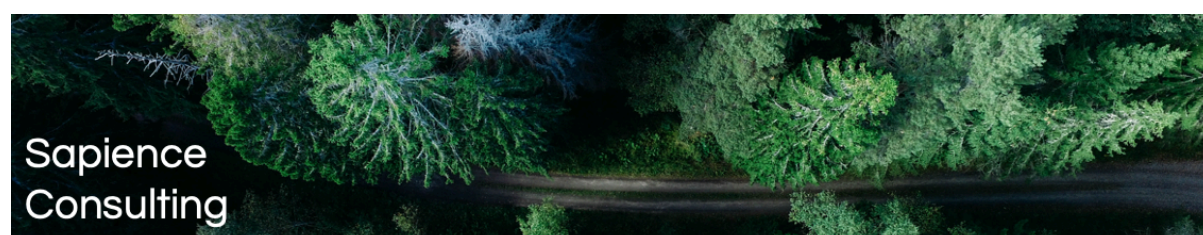
This course is designed for investors and lenders in ESG loans and focuses on developing due diligence and loan product structuring knowledge. The emphasis is on practical and implementable skills which will enable each delegate to confidently engage in this rapidly growing asset class. Participants should already be familiar with the concepts and features of green, social, sustainable and sustainability-linked loans.

Objectives

- Examine as an investor/lender/advisor the mechanics of assessing and structuring green, social, sustainable and sustainability-linked loans using best market practice and current case studies in the loan and capital markets.
- Conduct due diligence on a corporate Green Financing Framework.
- Understand + apply best practice for Green loan monitoring and Impact reporting.
- Analyse + conduct due diligence on a Social financing framework.
- Understand + apply best practice for Social loan monitoring and Impact reporting.
- Examine Sustainable loans: combining environmental and social projects in financings.
- Assess Sustainability-linked loans: best market practice in KPI and SPT selection; mechanics and performance scenarios over time.
- Examine loan monitoring + impact reporting best practice for green and social loan case studies.

What makes this course different?

- This is a unique course in the marketplace.
- Emphasises practical ESG loan structuring skills.
- Focuses on transferring diagnostic due diligence expertise.
- Deep dive focus on monitoring and impact reporting.
- Trainer is an active ESG market practitioner.



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Course content

1. Introduction

Current state of green, social, sustainable and sustainability-linked loans in 2023/24

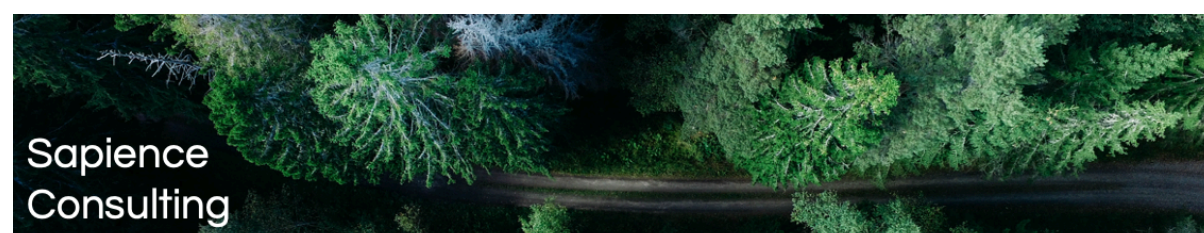
- Corporate and institutional issuance/loans update.
- Emerging trends in loan transactions.
- Sustainable Finance challenges and opportunities in 2023/24.

2. Green loans

Green Financing Framework due diligence

Case study 1: Analysing a significant corporate green finance programme/framework.

- How to assess the coherence of a corporate framework.
 - Mapping corporate strategy and SDGs commitment.
 - Adherence to best market practice.
 - Mapping to LMA Green Loan Principles/other standards.
- Creating a due diligence checklist.
 - Classification of risks.
 - Identifying ESG exclusions for project eligibility.
- Using publicly available information: Second Party Opinion/Verification reports + others
 - LMA/ICMA recommendations.
 - SPO reports, providers, independence and value add.
 - Verification reports, providers, independence and value add.
 - Other sources of information: industry bodies/think-tanks.
- Examine eligibility criteria for green projects and what questions to ask.
 - Use of Proceeds
 - Project Evaluation
 - Project selection
 - Deployment
- What extra information do you need as a lender?
 - Borrower competency



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- Borrower infrastructure (people, systems, data)

Green and social loan monitoring and reporting

- Best practice for green and social loan monitoring and reporting
 - Tracking and assessing Use of Proceeds within the borrower
 - Account segregation
 - Borrower governance
 - Reporting periods
 - Individual project/portfolio project choices
 - Borrowers and confidentiality
- How to assess impact.
 - Best practice – using the ICMA Frameworks for Green + Social finance.
 - Sector-specific guidance
 - Core Indicators
 - Other indicators
 - Mapping to SDGs – one approach

3. Social loans

Delegates will explore the current challenges in classifying social projects and measuring their impact.

Case study 2: analysing a bank social finance programme/framework.

- Assessing the coherence of a social finance framework (SDGs and strategy).
 - Mapping corporate strategy and SDGs commitment
 - Adherence to best market practice
 - Mapping to LMA Social Loan Principles/draft Taxonomies
- Creating a due diligence checklist.
 - Classification of risks
 - Project eligibility
- Using publicly available information within Second Party Opinion/Verification reports.

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- LMA/ICMA recommendations for Social finance
- SPO examples
- Examine eligibility criteria for social projects and what questions to ask.
 - Use of Proceeds
 - Project Evaluation
 - Project selection
 - Deployment

Social impact reporting

- Social impact.
- Impact reporting for social projects – using the ICMA Framework.
 - Outputs
 - Outcomes
 - Impact
 - Impact confirmation on target population

4. Sustainable loans

- Understanding the importance of a 'Just Transition'
- Combining Green and Social loan due diligence
 - Assessing the interplay between the two components

5. Sustainability-linked loans

Case study 3: analysing a Sustainability-linked corporate framework.

- How to assess the coherence of a sustainability-linked finance framework.
 - Mapping corporate strategy and SDGs commitment
 - Adherence to best market practice
 - Mapping to LMA Sustainability-Linked Loan Principles
- Determining the borrower's ambition
- Understanding the mechanics and choices of KPIs and SPTs
 - Common primary and secondary KPIs
 - Materiality
 - Strategic significance

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- Measurability
 - Benchmarking
 - SPT disclosure
- Using publicly available information within Second Party Opinion/Verification reports.
 - SPO examples
 - LMA/ICMA recommendations for Sustainability-Linked Loans/Bonds

Wrap up / Q and A

ESG and Climate finance loans structuring for practitioners.

Training course summary

ESG loans have seen exponential growth since 2018. This ESG loan course focuses on enabling participants to build their loan due diligence and structuring skills. By learning to do so, investors, lenders and their advisors can better understand what to expect from borrowers and why. The absence of certified public market data in the loan market creates a practical challenge. This course will enable you to seek and utilise data from different sources to give your investment committee more information.

This course is a deep dive into green, social, sustainable and sustainability-linked loans and uses current case studies as the basis of learning. Participants are encouraged to bring their own relevant ESG challenges to the programme to deepen their learning and application.

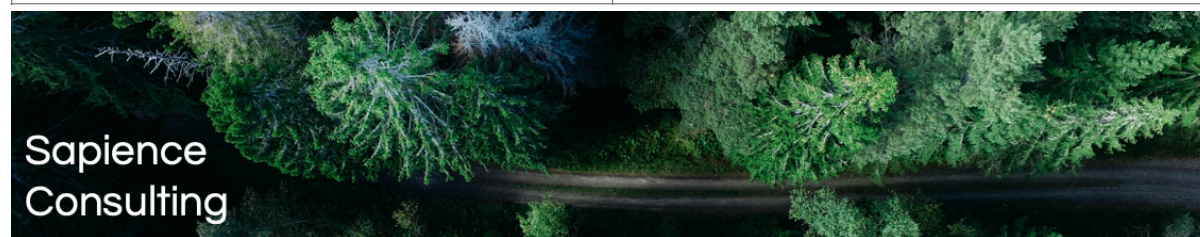
Trainer background

The trainer is an experienced international and emerging market capital markets consultant. He actively consults on Sustainable Finance to International Financial Institutions utilising his technical and leadership knowledge and skills. He has first-hand experience in over 38 emerging and frontier markets as an investor in a range ESG/Climate and non-ESG debt, equity and loan investment products.

As a former senior banker in the European Bank for Reconstruction and Development he led an advisory and structuring team which worked closely with multi-industry-sector bankers and risk officers to create loan, bond and equity investments in over 25 local currencies. He also has considerable expertise in debt and equity capital market governance and strategy.

Suitable for:

Asset managers	Institutional bankers
Banking and corporate credit officers	Investment banking officers
Banking lawyers	Private equity portfolio managers



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Banking operations officers	Project finance officers
Consultants	Project finance advisors
Corporate bankers	Risk Management
Family Offices	Sustainable finance officers
Finance Director	Syndications department (loans)
In-house legal	Treasury officers