Four (4) course series

IBF STS Accredited: Sustainable Finance TSC: Sustainability Risk Management | Proficiency level 3
CPD Hours: 3 CPD hours (for full series)

Background: *As the global population soars towards an estimated 10 billion people by 2050, the physical infrastructure that our energy, transportation, sanitation, communication, and urban systems depend on is becoming strained, and much of it, outdated. Climate change is exacerbating this. In some places rising temperatures and growing demand for air conditioning are pushing electrical grids beyond capacity; Elsewhere extreme cold and ice have brought down power grids that millions depend on. Water scarcity is forcing temporary shutdowns at power plants and sanitation facilities; and climate-induced mass migration is reshaping the distribution of populations and thus the demand for physical infrastructure. Moreover, just as infrastructure is affected by global forces such as climate change, it also has an impact on them; the sector is responsible for approximately 70% of global greenhouse gas emissions and is also a leading driver of deforestation.*

While all of the pressure on our infrastructure systems presents an enormous challenge for society, it also reflects a significant opportunity. During the next 30 years we must build approximately 75% of the infrastructure needed to meet global development goals. In Asia Pacific alone, the ADB estimates that at least US$22.6 trillion in investment is needed just by 2030, in order to meet the region's growing demand for power, transport, telecommunications and sanitation infrastructure. This urgent need, alongside the deployment of pandemic-related economic relief packages, presents a unique window of opportunity to build back better.

The long life-span of most infrastructure projects means that the decisions we make today will shape the way we produce energy, manage our water supplies, and move goods and ourselves around the planet for the next 25-50 years or more. With governments increasingly looking to private capital markets for the financing needed to bring critical infrastructure projects to life, ***it is more important than ever that financiers understand how environmental and social (E&S) issues will impact the sector in the coming years.***

**This series aims to focus on the following infrastructure sub-sectors: Transportation, water and sanitation, information and communication technology, and social infrastructure (e.g. hospitals, housing, schools, etc.). References to energy infrastructure are intentionally limited, as we have developed a separate course series that does a deep dive into the energy sector specifically.*

Series description: The four courses in this series collectively aim to provide Asia-based bankers and investors with an overview of how to assess and mitigate financial risks presented by environmental and social (E&S) issues specific to the infrastructure sector. Detailed learning outcomes for each course are provided below.

Target audience: Asia-based financial professionals, in particular:

1) **Corporate bankers:** Individuals working in risk management, relationship/client management, internal audit and in sustainability departments, and
2) **Asset managers:** Individuals working in roles related to risk management, product solutioning and management, trading and execution, and sales and relationship management

Duration: Each of the four courses is self-guided, and is intended to take ~30 - 45 minutes to complete. The series also includes a set of optional embedded prompts/guiding questions which, if completed in full, should take an additional ~40-60 minutes. In total, the course series is expected to take learners ~2.5 – 4 hours to complete, and can be completed in sections.

Assessment: Each of the four courses has a ten question assessment consisting of multiple choice, matching, fill in the blank and true false questions. (40 questions total for the series). 80% score on each assessment required to pass.

Price:

- **Gross retail price:** SG $350 (individual purchase). Purchase via the iMAS e-learning portal
- **Wholesale:** Please email klaya@wwf.sg for more information
- *Singaporeans and PRs resident in Singapore may be eligible for course subsidies*

Short descriptions of what you will learn each of the four courses are below:

1. Infrastructure & the environment at a glance

Learning outcomes: After completing this course you will understand:

- How infrastructure companies and projects depend on the environment to generate value
- How infrastructure companies and projects impact the environment and society (both positively and negatively)
- What the finance sector's role is in driving the development of resilient and sustainable infrastructure systems and where there are key opportunities to do so

2. Materiality & risk transmission in infrastructure investments

Learning outcomes: After completing this course you will understand:

- Which environmental and social (E&S) issues are most likely to present material financial risks to infrastructure companies and projects
- How these risks are transmitted to lenders and investors

3. E&S metrics & tools for infrastructure

Learning outcomes: After completing this course you will be able to:

- Identify and measure clients' and portfolio companies' exposure to and management of E&S issues in the infrastructure sector using key metrics
- Understand how to identify quality E&S data sources that can help financiers monitor companies' E&S policies and performance

4. Practical strategies for integrating E&S risks into infrastructure related lending and investment

Learning outcomes: After completing this course you will understand and be able to implement a variety of approaches to incorporating E&S data into infrastructure-related investment, corporate lending, and project finance decision making processes. These include:

- **Strategies for equity investment**
  - E&S integration
  - Screening (positive & negative)
  - Thematic investing
  - Engagement
  - Voting

- **Strategies for corporate lending**
  - Risk *assessment*
    - Infrastructure specific exclusion policies
    - Infrastructure specific sector policies
  - Risk *mitigation*
    - Loan approval with E&S conditions
    - Loan pricing linked to E&S criteria
    - Client engagement
    - Climate scenario analysis and stress testing
    - Portfolio-level target setting
    - Sustainable product offerings

- **Strategies for project finance**
  - Safeguards
  - E&S integration in due diligence processes

Throughout this course we highlight specific real-world "good practice" case studies that illustrate how banker and investor peers have used the above approaches to incorporate E&S considerations specific to infrastructure into their own lending and investment approaches. These case studies can serve as a basis for learners' own E&S policy or process development.

Infrastructure Series: Embedded prompts/guiding questions

Description: These prompts are designed to help you apply what you've just learned to a real-world scenario.

The prompts are embedded throughout each of the four courses in the series, and by the end, you will have effectively conducted an E&S risk and opportunity assessment for an infrastructure company or project of your choice. We encourage learners to write down their responses to the prompts, and keep them for future reference.