

SBP Guidelines on

Green Banking & Environmental and Social Risk Management





🗇 11th November 2023 🍳 Movenpick Hotel Karachi



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Overview

Green Banking acknowledges the responsibility of the financial sector in supporting policy initiatives for transforming a country's economy towards a lowcarbon and climate-resilient economy. It envisions the inculcation of environmental consciousness as part of organizational culture and the reorientation of banking products/services and operations to reduce the environmental impact of banks and the economy. Thus, Green Banking is a paradigm shift from a business-as-usual approach and has profound implications financing investment assessments/evaluations, development of financial instruments, products, and services, and consumption of natural resources in internal operations of banks/DFIs. The objective of the Green Banking Guidelines (GBG) & and Environmental and Social Risk Management is to reduce the vulnerability of banks to risks arising from the environment, fulfill their responsibilities for the protection of the environment, and provide finance to transform the economy into a resource efficient and climate resilient one. Banks as facilitators of economic activities are directly vulnerable to environmental risks through the actions of their clients. While the primary responsibility of ensuring compliance with environmental laws and regulations rests with the borrowers, the banks are encouraged to put in place appropriate mechanisms to identify, assess, and mitigate environmental risks and, thereby, prevent undue financial losses.

Early Bird 10% (Valid 1st Nov '23) **Group Discounts**









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GREEN BANKING REGULATIONS. CONCEPT, & SCOPE

- Sources of Risk
- · Overview of Green Banking Guidelines
- SBP's Green Banking Guidelines Scope, Objective and Components.
- Measures for Energy Efficiency for Staff **Awareness**
- · Rationale for Green Banking.
- Organizational Structure for Implementation of Green Banking Policy
 - 1. Management and Board of Directors.
 - 2. Green Banking Office.
 - 3. Chief Green Banking Manager.
- Green Business Facilitation.
- Guidelines on Own Impact Reduction.
- SBP Financing Scheme for Renewable Energy

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

- Environmental and Social Management System.
- Environmental and Social Policy.
- Role and Responsibility of staff.
- Screening Transactions.
- Categorizing Transactions.
- Conducting Environmental and Social Due Diligence.

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

- Decision Making process.
- Corrective action plan and covenants
- Monitoring.
- Managing eventualities in financing projects
- Internal and external communications.
- Audit and compliance.
- Training and capacity building.
- Regulatory reporting on E&S risk management.
- Environmental & Social Due Diligence (ESDD) Checklist for SMEs/Corporate Finance Projects.
- Green Banking Monitoring & Evaluation (M&E) Reporting Template.

GLOBAL PERSPECTIVE OF GREEN BANKING & ESG

- International Perspective on Green Banking and ESG.
- International Standards on Green Banking and FSG.
- Role of IFC on Green Banking and ESG.
- International Best Practices on Green and **Environment-Related Initiatives**



