

Seminar-Workshop on Environmental Governance Standards for Financial Institutions in Malaysia

November 30 – December 1, 2006 ♦ Parkroyal Kuala Lumpur ♦ Malaysia

A project of the
Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)
In partnership with the
UNEP/Wuppertal Institute Collaborating Centre on Sustainable Consumption & Production
University of Leeds - Sustainability Research Institute, School of Earth & Environment
In cooperation with
Association of Development Finance Institutions in Malaysia (ADFIM)
With funding support from the
European Union Asia Pro Eco1 Programme

Rationale

For many years, the banking sector in general did not consider "greening" the industry a relevant issue. Being in the non-polluting service sector, in contrast to the traditional industry sectors with high external environmental effects, banks were not the focus of discussion with regard to environmental issues.

The situation started to change in the early 90s. With the legal and stakeholder concerns such as lender liability on environmental misdeeds, plus a growing public awareness due to the leverage effect of investments, the banking sector faced new challenges. Environmental issues suddenly became a part of their daily business, consequently embracing new principles and practices of environmental performance evaluation, risk management, and due diligence.

In 1998, ADFIAP launched the "Greening the DFIs" project to promote and institute environmental due diligence in lending among its members. Initially supported by the US-Asia Environmental Partnership, a USAID initiative, ADFIAP ran capacity building programs, including Board-approved environmental policies, setting up of environmental monitoring units and achieving ISO 14001 certification. This present EU project will build on the experience of the "Greening" project.

What is the Environmental Governance Standards Project (EGS)?

The EGS is an EU-supported project that aims to support ADFIAP's "greening" project through an EU-Asia Environmental Governance Partnership that leads to the development and initial application of Environmental

Governance Standards (EGS) for financial sectors.

The project generated 2 research studies that will help financial institutions develop and integrate the EGS into their core businesses:

For the internal application within the financial institutions, an *Internal Environmental Monitoring System (IEMS)* that comprises of environmental management policies, tools and instruments, which would enable them to well manage their internal functions and operations;

As an external dimension, an *Environmental Rating Standard for Loan Appraisal and Project Finance (ERS)* as a set of concrete measures for integrating environmental issues in established risk assessment procedures in lending to borrower-clients.

The Objectives

- To implement an institutional change program in participating financial institutions, as well as build their capacities by installing and implementing the EGS in their institutions.
- To operate the EGS in the financial marketplace where participating financial institutions operate.
- To implement a communication plan to share and advocate learning gained from the project

Who Will Benefit from the Training Program?

The target group consists of more than 30 participants, mostly senior level officers and managers and/or those

assigned/elected as environmental officers coming from banks and other financial institutions, regulators and legal authorities in Malaysia.

Program Duration

2 days

Resource Persons

Ms. Burcu Tunçer
Project Manager
UNEP/Wuppertal Institute
Collaborating on Sustainable Consumption & Production
Wuppertal, Germany

Dr. Frank Figge
Professor of Corporate Social Responsibility
University of St Andrews & Sustainable Development Research Centre
Scotland

Through the generous funding of the European Commission, no fee is required for the participation in the 2-day seminar-workshop.

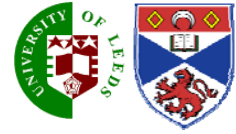
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For more info, visit
Website: <http://www.egs-asia.com>



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PROGRAM

DAY 1 (November 30, 2006 - Thursday)

- | | | | |
|--------------|------|---|--|
| 09:00 | a.m. | Registration | |
| 09:30 | a.m. | Opening Ceremony | |
| | | <ul style="list-style-type: none"> • Welcome Remarks from Host Association ADFIM • Remarks from ADFIAP Mr. Octavio B. Peralta Secretary General • Speech Representative from the Delegation of the European Commission to China • Keynote Speech Invited Chief Guest | |
| 10:30 | a.m. | Group Photo & Coffee | |
| 10:45 | a.m. | SEMINAR-WORKSHOP PROPER | |
| | | Introductions <ul style="list-style-type: none"> • Program • Participants • Partner-Institutions | |
| | | What is in EGS for Me? The Business Case Internal Environment Management System (IEMS) <ul style="list-style-type: none"> • Development of an environmental policy and setting priorities • Better Management of Energy Use • Better management of Business Travel • Better management of Green House Gas Emission (including discussions and exercises) | |
| | | Speaker: Ms. Burcu Tunçer | |
| 12:30 | p.m. | Lunch Break | |

- 02:00 p.m. Internal Environmental Management System (continuation)**
- Better Management of material use and Waste Management
 - Better Management of Water Consumption
 - Collecting the benefits of Green procurement
 - Internal and External Communication of Environmental Performance
 - Getting Recognition from your stakeholders (including discussions and exercises)

Speaker: Ms. Burcu Tunçer

05:00 p.m. Adjournment

DAY 2 (December 1, 2006 - Friday)

09:00 a.m. Environmental Rating System for Project Appraisal & Finance (ERS)

- Dissecting environmental risks
- Environmental Risks in Lending
 - Risk Adjusted Pricing
 - Monitoring
 - Covenants
 - Refusal of Loan
 - Portfolio Optimization

Speaker: Dr. Frank Figge

12:30 p.m. Lunch Break

02:00 p.m. Environmental Rating System for Project Appraisal & Finance (continuation)

- Rating Approaches
- Screening Approaches
- Integrated Analyses
- Portfolio Analyses
- Staggered Approaches

Speaker: Dr. Frank Figge

04:00 p.m. Wrap-up / Evaluation

Closing / Handing of Certificates of Attendance

05:00 p.m. Adjournment