

**SKILLS FRAMEWORK FOR FINANCIAL SERVICES
TECHNICAL SKILLS AND COMPETENCIES (TSC) REFERENCE DOCUMENT**

TSC Category	Sustainable Finance					
TSC	Sustainable ¹ Lending Instruments Structuring					
TSC Description	Structure key sustainable lending instruments, which includes bonds, loans, project and trade financing, derivatives, blended finance and develop incentive mechanism to encourage adoption of these instruments					
TSC Proficiency Description	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
			Understand and explain key sustainable lending instruments that are relevant to the organisation and its customers, and support the execution of these instruments	Structure key sustainable lending instruments which are aligned with international best practices, meet needs of customers and support customers in improving their sustainability performance over time	Innovate and structure new and custom sustainable lending instruments including developing pricing and other (financial or non-financial) mechanisms to incentive adoption of sustainable lending instruments among customers	
Knowledge			<ul style="list-style-type: none"> International and regional developments on sustainable lending instruments, including those by coalitions and action groups Principles, standards, frameworks and metrics for evaluating impact of sustainable lending instruments Characteristics of a sustainable lending instruments class Differences in sustainable lending instruments and its application across corporates and sectors Materiality of ESG issues at sector-level and corporate-level Importance of third-party verification/assurance of sustainable lending instruments to ensure 	<ul style="list-style-type: none"> Origination process of sustainable lending instruments Technical knowledge of green and sustainable activities across sectors, including sectoral industries and peer benchmark comparisons to guide the structuring of sustainable lending instruments Main sustainability-related business codes and agreements International and regional best practices and benchmarks for green and sustainable metric setting and targets by sectors Techniques to align green and sustainable metric setting and targets with international 	<ul style="list-style-type: none"> Organisation wide sustainability strategies Techniques to decarbonise lending portfolio and set targets for organisation's lending portfolio Techniques to price sustainable lending instruments vis a vis plain vanilla instrument Characteristics of innovative solutions that are not yet guided by international principles Knowledge and structuring of innovative or customised instruments 	

¹ includes green lending instruments structuring
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			<p>robustness and reduce risks of greenwashing</p> <ul style="list-style-type: none"> • Limitations of sustainable lending instruments and the importance of assessing sustainability impacts at a portfolio level 	<p>standards, goals and taxonomy developments</p>		
Abilities			<ul style="list-style-type: none"> • Engage customers on key features of sustainable lending instruments • Support execution of sustainable lending instruments 	<ul style="list-style-type: none"> • Engage customers on the benefits and key features of sustainable lending instruments • Support the sourcing and structuring of sustainable lending instruments to meet the needs of customers • Identify and help customers set suitable green and sustainable targets and metrics • Ensure that the sustainable lending instruments originated is aligned with international principles and standards • Monitor and report customers' progress in meeting sustainable targets and metrics set in the financing instrument • Identify and implement organisation's participation in suitable sustainable lending global platforms that are relevant to the organisation's sustainability goals 	<ul style="list-style-type: none"> • Provide strategic advice on decarbonisation strategies for lending portfolio to meet organisation sustainability targets • Develop sustainable lending implementation roadmap and targets for the organisation • Identify and secure prospective customers for sustainable lending • Lead the structuring of sustainable lending instruments to meet needs of customers, in line with international best practices • Lead the development of innovative sustainable lending instruments • Identify opportunities and implement partnership with other stakeholders-, to mainstream sustainable lending • Lead organisation's participation in key associated global/regional sustainable lending platforms 	
Range of Application	<p>Principles, standards and frameworks for sustainable lending instruments may include, but not limited to:</p> <ul style="list-style-type: none"> • Loan Market Association's (LMA) Green Loan Principles • Sustainability Linked Loan Principles • International Capital Market Association's (ICMA) Green Bond Principles • Sustainability-linked Bond Principles • ASEAN Green Bond Standards 					

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- Climate Bonds Initiative's Climate Bonds Standard and Certification Scheme

Sustainability-related business codes and agreements may include, but not limited to:

- Equator Principles
- Paris Agreement
- UN Global Compact

Characteristics of innovative solutions that are not guided by international principles may include, but not limited to:

- Blended finance
- Social impact-focused financing solutions

Innovative or customised instruments may include, but not limited to:

- ESG linked forex
- Hedges
- Forwards
- Blended finance