



# La administración estratégica de riesgos ambientales y sociales en instituciones financieras

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## **E&S Risk for Clients**

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**“E&S risks are the potential negative consequences to a business that result from its impacts (or perceived impacts) on the natural environment (i.e. air, water, soil) or communities of people (e.g. employees, customers, local residents).”**

- WB, EBRD, others

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## **E&S Risk for Lending Institutions**

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**‘Potential negative Impacts that client E&S risks could have on the relationship the client has with its lending institutions.’**

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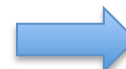
# Competitive Logic- Banks

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Failure to meet market requirements  
Lawsuits  
Closure (formal or informal)  
Boycotts, protests



Cash Flow



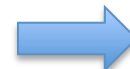
Negative Effects:

- Cash flow
- Reserves
- Costs

Site contamination/alteration  
Technology that does not meet  
current demand.  
Costs of asset removal



Value of  
Collateral



Negative Effects:

- Provisions
- Execution
- “Dead portfolio”

Controversial Projects  
Systemic risk  
Repeated errors



Reputation  
of the FI



Negative Effects:

- Customer confidence
- “upstream”
- Partners and  
shareholders

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## E&S Risks Mechanisms

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- Regulatory issues (“real” or not)
- Community objections/conflict
- Market concerns/rejection
- Worker risk concerns
- Accidents/errors/omissions
- Corruption
- Tricks
- Errors

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# Areas where things frequently go wrong

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(reflected in “Exclusion Lists” of nearly all DFIs)

- Child labor
- Damage to conservation areas
- Indigenous rights (resources, people, traditions)
- Large hydro and other major infrastructure



Ubatuba, Brasil

Fuente: Christopher Wells –UNEP FI

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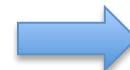
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# Analytical Process

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- Exclusion list and “filters”
- Collect information from client
- Categorization (A, B, C o 1, 2, 3) based on client information, and external information
  - “C” don’t see it again
  - “A” recognize that this needs significant expertise (external)
  - “B” more in depth internal review
- Resolve questions, mitigation measures, collateral protection
- Contractual clauses and conditions/covenants

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# Risk Summary (for Credit Committee)

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Client: 223465

File: P-0015

Transaction: Loan to developer (3 year +2 option)

E&S Classification: **B (moderado)**

Type of Risk	Concern	Comments
Risk to Cash Flow	Low	
Risk to Collateral	Low	
Risk to Reputation	Moderate	Neighborhood objections, Media involved

# Tools

Formulario de Actividades y Procesos (ER001)				
Banco				
Sucursal		Consecutivo cliente		
Información Cliente				
(1) Nombre o razón social del (la) propietario(a) (persona Física o Jurídica)				
(2) Nombre del establecimiento, empresa o negocio				
(3) Tipo de actividad y/o proyecto a financiar		Código CIIU	<input type="text"/>	<input type="text"/>
		Tamaño:	<input type="text"/>	<input type="text"/>
(4) Persona de contacto		cargo		
Teléfono N.	Fax N.	Dirección de correo electrónico		
Ubicación actividad y/o proyecto a financiar				
(5) Área terreno en M2		(6) Área construcción en	(7) N. Niveles	
(8) Dirección física del terreno				
(9) Barrio, caserío y pueblo o ciudad				
(10) Uso anterior del terreno				
(11) Uso del terreno adyacente				
(12) Ubicación tipo de zona (marque con x)				
Residencial <input type="checkbox"/> Comercial <input type="checkbox"/> Mixta <input type="checkbox"/> Rural <input type="checkbox"/> Industrial <input type="checkbox"/>				
Nombre de la zona				
Descripción actividad y/o proyecto a financiar				
(13) Descripción del (los) proceso (s) (anexe hojas adicionales si es necesario)				
(14) Sobre las <b>medidas de manejo y control</b> , marque con x la que corresponda (use hojas adicionales si es necesario)				
Asunto	Existen	En desarrollo	No existen	No Aplica
Desechos sólidos				
Desechos líquidos				