
**Climate Risk
and Sustainable
Finance Forum**



Capacity Building Working Group

Disclaimer

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Glossary

Abbreviation	Definition	Abbreviation	Definition	Abbreviation	Definition
A4S	Accounting for Sustainability	FMP	Financial Management Participant	PAB	Paris Aligned Benchmarks
BPFI	Banking & Payments Federation Ireland	FSI	Financial Service Ireland	PCAF	Partnership for Carbon Accounting Financials
CFA	Chartered Financial Analyst	FS	Financial Services	PRB	Principles for Responsible Banking
CTB	Climate Transition Benchmark	FC4S	Financial Services for Sustainability	PRI	Principles for Responsible Investment
CCPC	Competition and Consumer Protection Commission	IDA	Industrial Development Agency	PSI	Principles for Sustainable Insurance
CPD	Continuing Professional Development	IOB	Institute of Bankers	SFI	Science Foundation Ireland
CSRD	Corporate Sustainability Reporting Directive	IDD	Insurance Distribution Directive	SFDR	Sustainable Finance Disclosure Regulation
CUMA	Credit Union Managers Association	ISFCOE	International Sustainable Finance Centre of Excellence	SFS	Sustainable Finance Skillnet
ESG	Environmental Social and Governance	IBEC	Irish Business and Employers Confederation	TCFD	Task Force on Climate-related Financial Disclosures
EFRAG	European Financial Reporting Advisory Group	IMIA	Irish MiFID Industry Association	UNDP	United Nations Development Programme
EIOPA	European Insurance and Occupational Pensions Authority	MiFID	Markets in Financial Instruments	UNEP FI	United Nations Environmental Programme Finance Initiative
ESRS	European Sustainability Reporting Standards	NTMA	National Treasury Management Agency	WG	Working Group
EU	European Union	NFRD	Non-Financial Reporting Directive		

Foreword

The Capacity Building Working Group was established by the Climate Risk and Sustainable Finance Forum (Climate Forum) to assess the status of, and recommend action to accelerate, sustainable finance capability in Ireland’s Financial Services sector, with a view to enabling financial professionals to have the skills and capabilities to support the crucial role they play in the transition to the green economy.

In line with the EU Sustainable Finance Action Plan and related regulatory measures driving this transition “Financial Market Participants” (FMPs) such as Investment Firms, Brokers and Intermediaries, Insurance, Banking and Fund Service Providers, have a key role to identify and manage Environmental, Social and Governance (ESG) risks and opportunities in investments and capital markets. To support this need, the Capacity Building Working Group focused on this group as relevant for Ireland’s Financial Services.

The Capacity Building Working Group has been working to deliver this mandate. A comprehensive desktop review of the existing evidence base, best practice internationally, and a real economy survey of Irish Financial Market Participants views were conducted. The results are summarised in this report and recommended actions proposed.

The Capacity Building Working Group worked closely with the Risk Management Working Group, which was also established by the Climate Forum to ensure a joined-up approach that did not duplicate previous efforts”.

Working Group Members

Company	Representative
Co-Chair, Davy Horizons, Davy Group	Dr. Dorothy Maxwell
Co-Chair, RSA Insurance - Part of Intact Financial Corporation	Kevin Thompson
Secretariat, Davy Horizons, Davy Group	Amy Ward Whelan
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BOI	Eamonn Hughes
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Credit Union Managers Association	Timothy Molan
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FBD Insurance	Michael Sharpe
FSI	Aisling McNiffe
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IPB Insurance	Enda Devine & Evelyn Savage
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Irish Fund Directors Association	Aedin O'Leary
Irish Life plc	Patrick Burke & Niall O'Leary
Irish MiFID Industry Association	Aoife Brophy
KBI	Eoin Fahy
Society of Actuaries in Ireland (SAI)	Ailish Sherlin

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It has been our privilege to co-chair the Capacity Building Working Group. Given the urgency of climate change and wider environmental and social issues, we recognise the essential role FMPs play in driving the sustainable market transition. Having the skills and capabilities in sustainable finance are crucial to navigate the challenges and opportunities this presents. Our Working Group has identified a roadmap of practical actions that we recommend can support Ireland’s financial services sector fast track sustainable finance training and capacity building. Thank you to our Working Group, secretariat and external parties who shared their expertise and best practice. We look forward to working with the Climate Forum to support launching the findings.

Dr. Dorothy Maxwell FICRS MInstD
 Head of Davy Horizons Sustainability
 Advisory, Davy Group

Kevin Thompson
 CEO RSA Insurance Ireland -
 Part of Intact Financial Corporation

1. Executive Summary

1.1 Key Findings

A summary of the Working Group's key findings from the primary and secondary research conducted are outlined below:

Sustainable finance context in Ireland

With the introduction of the EU Sustainable Finance Action Plan at EU level, the Ireland for Finance Framework and the Sustainable Finance Roadmap, sustainable finance is high on the agenda of policymakers, business, and finance. In particular, legislation including the Sustainable Finance Disclosure Regulation (SFDR), EU Taxonomy, Corporate Sustainability Reporting Directive (CSRD) and Markets in Financial Instruments Directive (MiFID II) require FMPs to meet an increasingly complex range of sustainable finance obligations and stakeholder demands. With the increased interest in sustainable finance a new skillset is required and there is currently limited capacity of these skills available in the Irish market.

Real economy survey

In April 2023, the Capacity Building and Risk Management Working Groups designed a survey which was issued by the Climate Bank to a large number of regulated financial services firms. The survey sought to assess the status and gather the views of the Financial Services industry on climate change capacity building. The Working Group recommend conducting this survey on an annual basis to track progress. Key findings of the survey included:

- There are currently different stages of maturity across financial sub-sectors, e.g., banking was at a higher level of maturity than credit unions;
- Where there was an international parent group there was a heavy reliance on them for sustainability and ESG in the business;
- Many sub-sectors across the financial system identified upskilling existing staff as a key element; and
- Across sub-sectors there was a lack of awareness of external supports available in the area.

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Training and capacity building status in Financial Market Participants (FMPs)

The evidence base clearly shows a gap in capacity on sustainable finance in Irish FMPs with some new skills-related initiatives aiming to tackle this (outlined in Section 4.3). The evidence shows that while a wide variety of courses are available (outlined in Appendix 2), there is a significant need for additional training in the financial sector with some commonalities as below:

Embed a Baseline of Knowledge

- ☑ Most existing reports found attracting sustainable finance talent to be a key challenge encompassing both early careers and transitioning professionals.
- ☑ To address the challenge of attracting sustainable finance talent, recommendations were made to embed a baseline of knowledge on sustainable finance in appropriate third-level and professional courses.
- ☑ Additionally, the need to upskill staff with a baseline in sustainable finance professional education was identified.




Upskill with Specific Knowledge

- ☑ While noted that there was a variety of external training resources available (existing courses detailed in Appendix 2), professionals found it difficult to ascertain which would be most appropriate for them.
- ☑ Some studies in the evidence base also found that there was a requirement for shorter courses, to suit the upskilling of 'time-poor' employees e.g., those in management roles, in addition to a need for role and level-specific training e.g., sustainable finance for senior management/risk/audit/ financial reporting, etc.





In both cases, the need for further employer encouragement to pursue this training was identified. In one study, it was noted that the upskilling was most often conducted by knowledgeable employees.



1.2 Recommended Actions

Following the desktop research and real economy survey market engagement, the Working Group have the following overarching cross-sectoral recommendations. The importance of having leaders bought-in and engaged in driving sustainability cannot be underestimated, and therefore it is paramount that these recommendations have the buy-in, and are driven by, senior leadership in industry, government, and regulators. The working group has identified that engagement should initially take place with the following parties. The next step of implementation would be to engage parties and then progress action, as outlined in Section 1.3 of the report, Roadmap and Timeline. Recommendations are outlined below:

Area	Actions	Parties
 <p>1. Awareness Raising at Industry Level</p>	<ul style="list-style-type: none"> ■ A coordinated campaign to highlight the need for Financial Services staff, management and boards (or directors) to upskill in ESG and the benefits of doing so (e.g., career opportunities; being part of the solution, robust oversight etc). ■ Awareness raising of the resources available for individuals and companies to utilise through the ‘one stop shop’ ISFCoE/ Sustainable Finance (SF) Skillnet/ International Financial Services (IFS) Skillnet funding. 	<ul style="list-style-type: none"> ■ Financial Services Ireland, Insurance Ireland, Banking & Payments Federation Ireland, Irish Funds, Irish MiFID Industry Association, Institute of Bankers, Society of Actuaries in Ireland, Life Insurance Association (LIA).
 <p>2. Awareness Raising at Consumer Level</p>	<ul style="list-style-type: none"> ■ Education and awareness raising of sustainable financial products for consumers and customers. ■ A coordinated campaign to educate customers to identify more sustainable financial products and empower them to ask. 	<ul style="list-style-type: none"> ■ Competition and Consumer Protection Commission, Institute of Bankers, Brokers Ireland, Credit Union Managers Association, Life Insurance Association (LIA).
 <p>3. Development of a Skills Framework for each Financial Services sector</p>	<ul style="list-style-type: none"> ■ The ESG skills and talent requirements vary according to Financial Services sector and each sector should outline an ESG skills framework. ■ This would highlight skills needs by roles, allow for more detailed analysis of current sectoral capacity against the framework, and for targeted upskilling based on company size and needs. 	<ul style="list-style-type: none"> ■ Institute of Bankers to progress current work on this in consultation with other relevant bodies.

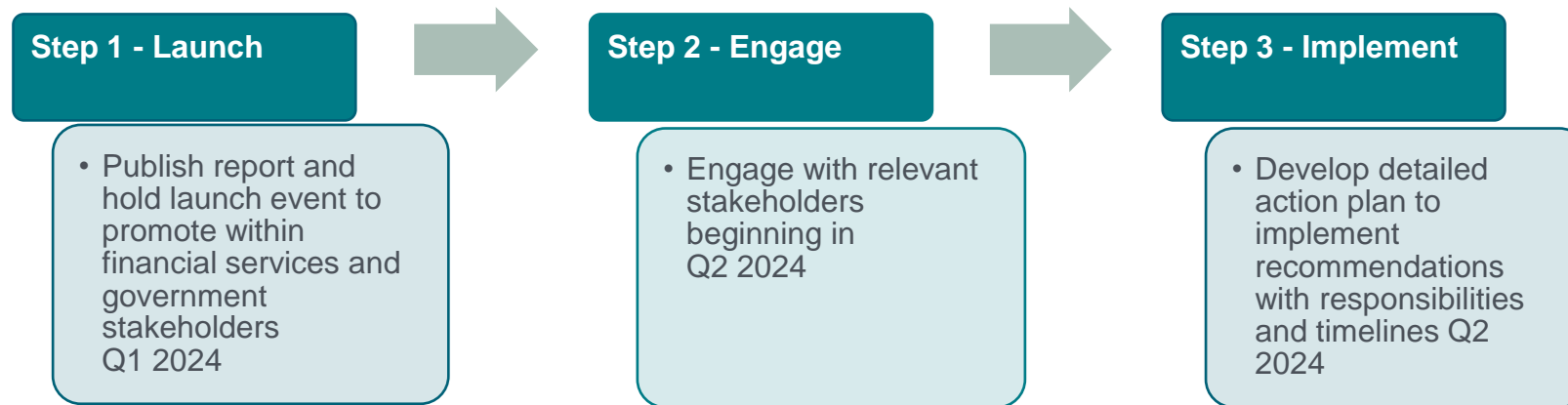
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 <p>4. Introductory Courses</p>	<ul style="list-style-type: none"> ■ Develop an introductory ESG course for all Financial Services professionals that can be completed online. ■ This course should set out the climate context, the evolving regulatory response and its relevance to the Financial Services sector. ■ Allocate CPD points to the introductory ESG course. 	<ul style="list-style-type: none"> ■ Institute of Bankers for banking in consultation with industry. ■ International Sustainable Finance Centre of Excellence, SF Skillnet, Irish Fund Directors Association.
 <p>5. Specialised Courses by Function & Issue</p>	<ul style="list-style-type: none"> ■ Continue the roll out of longer form courses that target specific functional needs (e.g., FSI, IFS Skillnet, Compliance Institute, Sustainable Finance Skillnet (SFS) and IOB Professional Diploma in Sustainable Finance for Compliance Professionals, Insurance Institute Certificate on Climate Change). ■ Roll out of specific topic related courses (SFDR, CSRD etc) to meet growing industry needs. Such topics can involve a wider variety of roles and so can go beyond more specific functional needs. 	<ul style="list-style-type: none"> ■ International Sustainable Finance Centre of Excellence, International Financial Services Skillnet.
 <p>6. Integration of ESG into Pipeline Courses & Apprenticeships</p>	<ul style="list-style-type: none"> ■ Addition of ESG courses into all Financial Services college courses and Financial Services apprenticeships. ■ Integrate ESG components into the curriculums of professional exams for relevant financial services professions, e.g., accountancy, actuarial etc. ■ Integrate ESG components into Director training programmes. ■ ESG modules should be added to the list of relevant CPD categories for qualified professionals. 	<ul style="list-style-type: none"> ■ Government of Ireland. ■ Institute of Bankers, Insurance Institute, Financial Services Ireland, Irish Funds, Skillnet.
 <p>7. Education at the Frontline</p>	<ul style="list-style-type: none"> ■ Brokers, intermediaries, financial advisers and others are working at the consumer interface and guiding customers in choosing financial products. Roll out specific training programmes and financial supports for those working at the frontline to upskill them in this area. 	<ul style="list-style-type: none"> ■ Brokers Ireland, Institute of Bankers, Credit Union Managers Association.

 <p>8. Government Initiative: Enhancing Sustainability across Higher Education Courses</p>	<ul style="list-style-type: none"> ■ Implement a comprehensive approach to future proof the workforce with sustainability skills. ■ Mandate the inclusion of sustainability content in (all) Higher Education courses, ensuring graduates and apprentices can contribute to industry alignment with sustainability targets. ■ Initial steps to involve meetings with Higher Education and Apprenticeship providers, to integrate sustainability and sustainable finance topics into relevant business, finance, and accounting courses. 	<ul style="list-style-type: none"> ■ The Department of Further and Higher Education, Research, Innovation and Science / Higher Education Authority.
 <p>9. New Industry Narrative</p>	<ul style="list-style-type: none"> ■ Such is the need for ESG skills, Financial Services – across its constituent parts, and in particular its senior leaders - will need to articulate a coherent story on what role the industry is playing in support of wider climate goals. To attract and retain staff, this sense of purpose is key and requires alignment between industry representative bodies and others, to help attract talent to complement internal upskilling workstreams. 	<ul style="list-style-type: none"> ■ Industry representative bodies including Irish Funds, Insurance Ireland, Irish MiFID Industry Association, Society of Actuaries in Ireland, Financial Services Ireland, Banking & Payments Federation Ireland and Private Finance Initiative in conjunction with Ireland for Finance.

1.3 Roadmap and Timeline

A proposed roadmap and timeline to implement the recommendations for consideration by the Climate Forum is illustrated below.



2. Working Group Overview

2.1 Aims & Scope

The Capacity Building Working Group is a consultative Working Group. The main aim of which is to build and accelerate capacity building in the financial sector to support the understanding and management of the financial risks and opportunities posed by climate change. The remit of the Capacity Building Working Group was to:

- Identify the current capacity and capability in the sector.
- Design a roadmap and action plan for the next 2-3 years outlining what the required actions are to reach desired outcomes and with whom each action is aligned.
- Draft a report for the end of 2023 identifying as a minimum the current state of play including status, needs, gaps, key actors, roadmap ahead and action plan.

2.2 Methodology

The Capacity Building Working Group met 12 times from November 2022 to December 2023 working collaboratively to agree and execute the research required, bringing real economy expertise, experience and networks. The Capacity Building Working Group worked closely with the Climate Forum's other Working Group, the Risk Management Working Group throughout this time.

The method agreed was to:

1. Identify the current capacity and capability in the sector through:
 - a) A desktop-based evidence review of relevant publications for Ireland on the topic, including:
 - Ireland's Sustainable Finance Roadmap (Ireland for Finance – SFI, Skillnet, FC4S (Hosted by UNDP) - September 2021)
 - Financial Services in Ireland - Skills of the Future (IBEC, Skillnet, LCG Market Solutions - June 2022)
 - Ireland's Sustainable Finance Skills Gap Report (Sustainable Finance Ireland and Skillnet Ireland – 2021)
 - Deep Sector Analysis of Future Sustainable Finance Skills and Talent Requirements in Ireland, 2019-2025 (Deloitte, Sustainable Finance Skillnet, Sustainable Nation Ireland - November 2019)
 - Sustainable Banking & Finance (Sustainable Finance Skillnet, iob and BPFi – 2022)
 - ESG Training Needs Analysis for the Funds Industry (Irish Funds – May 2022)
 - BPFi Sustainable Finance Paper (Continued Public-Private Coordination Central to Ireland's Transition to Net Zero - Nov 2022)
 - Insurance Industry ESG Knowledge and Skills Analysis 2023 (Sustainable Finance Skillnet, Brokers Ireland, LIA, The Insurance Institute, Insurance Ireland, KPMG – March 2023)
 - Sustainable Finance Skills - Deep Dive Study (ISFCoE in partnership with Skillnet Ireland and prepared by KPMG – December 2023)

- b) Engaging best practice international sustainable finance capacity focused initiatives for Financial Services to understand lessons learnt and how these could be applied in the Irish context. These included Accounting for Sustainability Academy (A4S), United Nations Environment Programme Finance Initiative (UNEP FI), UN Principles for Responsible Investment (UN PRI) Academy, UNEP FI Principles for Responsible Banking (PRB), UNEP FI Principles for Sustainable Insurance (PSI).
- c) Circulation of a real economy survey of Irish FMPs.
- d) Gather the information from key actors relevant to executing the next steps in particular the Department of Finance regarding the Irish Sustainable Finance Roadmap and Ireland for Finance Strategy.

3. Introduction to sustainable finance capacity building in Ireland

3.1 Current status

In 2016, the EU Commission appointed a High-Level Expert Group on sustainable finance which in January 2018 published its final report on sustainable finance. The EU Commission built upon the group's recommendations releasing an action plan on sustainable finance.

The EU Sustainable Finance Action Plan¹, driving sustainability transformation in capital markets, has three core objectives.

1. To reorient capital flows towards sustainable investment;
2. To mainstream sustainability in risk management; and
3. To foster transparency and long-termism in financial and economic activity.

The further action items as outlined below.

<i>Reorienting capital flows</i>	<i>Mainstreaming sustainability in risk management</i>	<i>Fostering transparency and long-termism</i>
<ol style="list-style-type: none"> 1. Establishing an EU classification system for sustainable activities 2. Creating standards and labels for green financial products 3. Fostering investment in sustainable projects 4. Incorporating sustainability when providing financial advice 5. Developing sustainability benchmarks 	<ol style="list-style-type: none"> 6. Better integrating sustainability in ratings and market research 7. Clarifying institutional investors' and asset managers' duties 8. Incorporating sustainability in prudential requirements 	<ol style="list-style-type: none"> 9. Strengthening sustainability disclosure and accounting rule-making 10. Fostering sustainable corporate governance and attenuating short-termism in capital markets

Source: EU Commission²

¹ [EUR-Lex - 52018DC0097 - EN - EUR-Lex \(europa.eu\)](#)

² [Renewed sustainable finance strategy and implementation of the action plan on financing sustainable growth \(europa.eu\)](#)

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To meet its goals, the 10-point plan is centred on several key pieces of legislation, some of which are noted below.

- The EU Taxonomy creates a classification system for sustainable economic activities.
- The Sustainable Finance Disclosure Regulation (SFDR), effective from March 2021, imposes mandatory ESG disclosure obligations for asset managers and other Financial Market Participants.
- The Corporate Sustainability Reporting Directive (CSRD) mandates corporates to disclose their sustainability performance and progress across ESG to achieve best practices. CSRD replaces the Non-Financial Reporting Directive (NFRD) and has reporting requirements outlined by the European Sustainability Reporting Standards (ESRS) developed by the European Financial Reporting Advisory Group (EFRAG). CSRD and ESRS will apply to fiscal years starting on or after 1 January 2024 and reporting will begin from 2025.
- The EU Benchmark Regulation requires investment benchmarks to disclose their integration of ESG criteria in their processes. It introduces two categories of climate benchmarks: EU Paris-aligned Benchmarks (PABs) and Climate Transition Benchmarks (CTBs).
- The Markets in Financial Instruments Directive (MiFID II) and the Insurance Distribution Directive (IDD) have both been updated to require the incorporation of ESG considerations in the advice process.

The Action Plan changes the way investment firms, wealth and asset managers, banks, insurers, pension funds, and investors consider ESG issues, risks and opportunities.

On 14 January 2020, the European Commission presented the European Green Deal Investment Plan, aiming to mobilise c. €1 trillion of sustainable investments over the next decade enabling a framework to facilitate public and private investments needed for the transition to a climate-neutral, green, competitive and inclusive economy.

In 2021, the Irish government released the 'Ireland for Finance Action Plan' with a focus on sustainable finance goals. The plan's first action aimed to equip the financial sector with the necessary tools, skills, frameworks, and markets to effectively manage risks and seize opportunities during the transition to a net-zero economy. The emphasis was on talent and innovation. The plan was updated in 2022, March 2023 and March 2024³.

The Ireland for Finance Framework outlines a comprehensive set of strategies designed to propel Ireland's international Financial Services sector forward through to 2025. The government's aspiration is for Ireland to establish itself as the preferred location for specialised international Financial Services, while also preserving and bolstering its competitive edge. The Action Plan 2024 incorporates the latest measures, which are rooted in the interrelated themes of the revised strategy, including:

- Sustainable finance,
- Fintech and digital finance,
- Diversity and talent,
- Regionalisation and promotion, and
- Operating environment.

The success of the Ireland for Finance Action Plan is primarily measured through the number of people employed in the sector. According to estimates provided by enterprise agencies IDA and Enterprise

³Ireland for Finance 2024 Action Plan <https://www.gov.ie/en/publication/28de9-ireland-for-finance-2024-action-plan/>

Ireland, approximately 56,000 individuals were employed directly in the international Financial Services sector at the end of 2022.

In October 2021, Ireland launched its Sustainable Finance Roadmap⁴, which aims to position the country as a prominent sustainable finance hub by 2025. Skillnet Ireland supported the development of this roadmap, which was crafted through extensive research and stakeholder engagement under the guidance of an Oversight Committee. The roadmap highlights the collaborative efforts required by the public and private sectors to enhance skills, digital solutions, environmental conditions, and Ireland's sustainable finance priorities and capabilities.

In October 2022, an International Sustainable Finance Centre of Excellence was identified as a key element of the roadmap. Its purpose is to equip the Financial Services industry with the necessary skills to enable financing of a net-zero future. The centre is intended to be a global hub that will help the finance industry in Ireland respond to sustainability needs.⁵

3.2 Sustainable finance actors and their role

Several key stakeholders are involved in supporting sustainable finance in Ireland, including the Central Bank of Ireland, Department of Finance, NTMA, Financial Centres for Sustainability (FC4S) Network, EIT Climate-KIC, IDA Ireland, Enterprise Ireland and Finance Industry associations. Training has been started by initiatives including Skillnet Ireland, Sustainable Finance Skillnet and professional associations such as CFA and Chartered Accountants Ireland.

As part of its Strategy⁶ the Central Bank of Ireland aims to strengthen the resilience of the financial system to climate-related risks and its ability to support the transition to a low-carbon economy.

In 2019, the Department of Finance launched the Ireland for Finance Strategy, subsequently updated in 2022 adding sustainable finance as its first theme. Becoming a leading sustainable finance centre is a strategic goal of Ireland's Sustainable Finance strategy.

⁴ [Irish-SusFinance-Roadmap-FINAL-FINAL-OCTOBER-2021.pdf \(sustainablefinance.ie\)](#)

⁵ [At the time of writing, the Sustainable Finance Roadmap was being revised to make the most of emerging opportunities and continue progress towards 2024 and 2025. Focus areas were expected to include the transition to net-zero, financing biodiversity, implementing sustainable finance fintech strategies, complying with new disclosure standards and international commitments, and updating Ireland's sustainable finance talent strategy to align with the Paris Agreement and Sustainable Development Goals].

⁶ [Our Strategy, September 2021, Central Bank of Ireland](#)

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PILLAR 1 DEVELOPING TALENT Build the knowledge and capability required to meet future workforce needs for sustainable finance skillsets	PILLAR 2 INDUSTRY READINESS Development of best-in-class insights, tools, and mechanisms for leadership	PILLAR 3 LEVERAGING DIGITAL Apply digital technology solutions to the ESG data and risk management challenge	PILLAR 4 ENABLING ENVIRONMENT Leverage existing structures within the system to underpin the growth of sustainable finance	PILLAR 5 PROMOTION AND COMMUNICATION Raise awareness of Ireland's sustainable finance priorities, commitments and capabilities
1. Establish an International Sustainable Finance Centre of Excellence				
2. Accelerate access to Sustainable Finance knowledge and skills	4. Build capacity and ensure best practice in reporting and disclosure	9. Build a sustainable finance data roadmap for Ireland	12. Establish a public private Climate and Sustainable Finance Group	16. Deliver a coordinated public-private campaign to promote Ireland as a centre for sustainable finance
3. Support international sustainable finance, biodiversity and nature-related capacity building endeavours	5. Increase industry commitments	10. Develop a Sustainable Finance Fintech strategy	13. Ensure the legislative environment is representative of best practice in sustainable finance	17. Identify international sustainable finance initiatives in which Ireland should participate and strengthen existing links
	6. Establish an innovation programme to support the development of new sustainable finance products and services	11. Launch a sustainable finance digital flagship programme	14. Embed sustainable finance and climate risk into supervisory and financial stability assessments	18. Continue to develop and grow Climate Finance Week Ireland
	7. Assess the viability of a climate funding platform in Ireland		15. Explore next steps in Ireland's sovereign funding of climate action projects	
	8. Conduct analysis on the risks and opportunities for the biodiversity finance agenda			

Source: Sustainable Finance Ireland⁷



The International Sustainable Finance Centre of Excellence (ISFCOE) works to position Ireland as a leader in sustainable finance. All activities are aligned with the Government's Ireland for Finance strategy and help to deliver on annual action plans including the Climate Action Plan 2023. The ISFCOE was launched at Climate Finance Week Ireland 2022 and is Action 1 of the Ireland's Sustainable Finance Roadmap. ISFCOE is responsible for coordinating the delivery of the national Sustainable Finance Roadmap and commissions research and thought leadership in sustainable finance. Headquartered in Dublin, the Centre has been developed in partnership with Skillnet Ireland, the UNDP Financial Centres for Sustainability (FC4S) Network, EU Climate-KIC and leading domestic & international private sector partners. It is the promoting agency for the Sustainable Finance Skillnet and organises Climate Finance Week Ireland on an annual basis.

www.isfcoe.org



The Sustainable Finance Skillnet is a national network developing skills and leadership capacity to advance ESG best practice across Ireland's Financial Services ecosystem. The objective is to support existing Financial Services professionals at all levels to develop knowledge and skills in sustainable finance that are relevant to their role, support business growth and embed sustainable approaches within firms through the delivery, commissioning and funding of specialised training & courseware. From inception in 2020, to the end of 2022, the Sustainable Finance Skillnet invested in excess of €1.4m to support over 2000 Financial Services professionals in over 600 Financial Services firms to undertake ESG upskilling. This has led to the development of sustainable finance programmes of study which are only available in Ireland. All Irish-based employees in the Financial Services sector are eligible for funding. Sustainable Finance Skillnet is co-funded by Skillnet Ireland and member companies.

www.sFinancialServiceskillnet.sustainablefinance.ie

⁷ Irish-SusFinance-Roadmap-FINAL-FINAL-OCTOBER-2021.pdf (sustainablefinance.ie)



The **International Financial Services Skillnet** is co-funded by Skillnet Ireland and member companies. Its aim is to support the Financial Services sector in maintaining Ireland's position as a top international Financial Services centre, through ongoing investment in the development of the skills and expertise of this workforce. Its 'Financial Services in Ireland – Skills of the Future' report identified several skills gaps in the Irish market, including ESG and Sustainable Finance. IFS Skillnet offers courses in ESG and Sustainable Finance and Irish-based employees working in the Financial Services sector can avail of funding.

<https://www.iFinancialServicesSkillnet.ie/>



Climate Finance Week Ireland is the annual gathering of stakeholders engaged in advancing the sustainable finance agenda. As the only government-backed climate finance event in Ireland, this world-leading, annual event is instrumental in shaping sustainable finance initiatives at both a national and international level. Climate Finance Week Ireland has grown exponentially since its inception in 2018. With over 9,000 attendees in 2022, featuring 34 events and 130 speakers, it has become a global hub of sustainable finance activity. Climate Finance Week Ireland runs in Q4 each year and hosts a wide selection of both in-person and hybrid events.

www.climatefinanceweek.ie

4. Evidence base – Desktop review

4.1 Previously published studies in Ireland and key findings

To inform this report, a desktop review of existing studies published in Ireland was conducted. Several studies have been undertaken over the past 5 years covering the sustainable finance skills gap in the Financial Services sector in Ireland, alongside additional sector-specific studies. Methodologies of previous studies varied from desktop-only research to interviews, surveys and reports led by steering groups. Overall, the objectives of the reports were of a similar theme concentrating on the ESG skills gap in Ireland.

The table below presents an overview of the evidence base.

Title	Date	Sector
<u>Deep sector analysis of future sustainable finance skills and talent requirements in Ireland</u>	2019	Financial Services
<u>Ireland's sustainable finance skills gap report</u>	2021	Financial Services
<u>Ireland's sustainable finance roadmap</u>	2021	Financial Services
<u>ESG training needs analysis for the funds industry</u>	2022	Funds
<u>Financial Services in Ireland - Skills of the future</u>	2022	Financial Services
<u>Review and recommendations on education and training needs for retail financial services in Ireland</u>	2022	Retail Banking
<u>Insurance industry ESG knowledge and skills analysis 2023</u>	2023	Insurance
<u>Sustainable Finance Skills - Deep Dive Study</u>	2023	Financial Services

The 2019 research report 'Deep Sector Analysis of Future Sustainable Finance Skills and Talent Requirements in Ireland' found there are varying levels of expertise in ESG skills and talent within the four main Financial Services sub-sectors, namely banking, insurance, asset management, and fund services. In addition, there exists a variation in the level of sustainability skills and expertise among front and back-office personnel. For example, it was found that front-office staff in the asset management sector are more proficient in sustainable finance than middle and back-office staff.

'Ireland's Sustainable Finance Skills Gap Report', published in 2021 and building upon the 2019 'Deep Sector Analysis' report found that the most common primary upskilling required is a high-level overview of ESG-related impacts. This is in line with previous findings suggesting that a baseline understanding of sustainable finance amongst all employees is required across the sector. Additionally, upskilling in disclosure requirements and guidance (SFDR, NFRD/CSRD and TCFD) were seen as important.

The Irish Funds organisation in its 2022 study identified several gaps in ESG skills and knowledge within the Irish Fund industry. Specifically, a low level of industry awareness regarding the particular ESG requirements for various roles and a lack of knowledge about relevant training courses. Furthermore, the support provided by companies for ESG training is inadequate, with most training being initiated by employees rather than the company itself. Additionally, there is scarcity of courses with shorter durations that are suitable for senior and middle management who have limited time. Many of the existing courses are not tailored to specific levels or roles, making it difficult for participants to determine which courses are appropriate for their needs.

In the 2022 Financial Services in Ireland Skills of the Future report, it was recognised that there is a developing disparity between the availability of sustainable finance skills and the amount needed to sustain the field's growth. Moreover, it emphasised that securing adequate access to sustainable finance skills and talent is a crucial aspect of transitioning to a low-carbon economy. The 2023 Sustainable Finance Deep Dive study emphasised that there is "*a pressing need to upskill employees, and a preference for practical, on-the-job training*". This report identified that competing priorities and limited awareness of training opportunities within the industry are a blocker for upskilling existing workforces within companies.

The report 'Review and Recommendations on Education and Training Needs for Retail Financial Services in Ireland', whilst not focused specifically on sustainability training needs, found the majority of education and training around sustainable finance made little reference to the Retail Financial Services sector.

In the more recent 2023 Insurance Industry ESG Knowledge and Skills Analysis report, it was found that a basic understanding of ESG (Environmental, Social, and Governance) concepts is considered to be the most important skill/knowledge area for most roles in Irish insurance companies. Among a range of issues in the insurance industry, regulatory costs, ESG pressures on profitability, and data & reporting requirements are the most concerning and while just over half of the industry is interested in taking an ESG training course, almost all of them have not received any formal ESG training. This is particularly true for risk professionals, with almost three-quarters of them expressing interest in ESG-related courses.

4.2 International Best Practice

International sustainable finance centres of excellence have been providing capacity building, training and courses for many years to FMPs internationally. Below is a summary of some of the key organisations involved:

Accounting 4 Sustainability Academy



- Established in 2004, the A4S aims to inspire action by finance leaders to drive a fundamental shift towards resilient business models and a sustainable economy.
 - The A4s Academy is an 18-month online learning & implementation programme for senior finance leaders.
- The academy has observed the following enablers and barriers to effective capacity building in sustainable finance:
 - Barriers**
 - Reluctance to change
 - Competing priorities
 - Skills gaps
 - Lack of investment by decision makers in ESG capacity building
 - Enablers**
 - Company buy-in (exec level is required to pledge commitment before programme)
 - Ensuring that participants understand the challenge and the urgency
 - Working from the top down (with people who have been empowered to drive change within the organisation)
 - Peer to peer knowledge exchange and learning
 - Setting implementation plan (moving from theory to action)

UN Environmental Programme (UNEP) Finance Initiative (FI)



- Established in 1992, the United Nations Environment Programme Finance Initiative (UNEP FI) is a partnership between UNEP and the global financial sector to mobilise private sector finance for sustainable development.
- The frameworks UNEP FI has established or co-created include:

UN Principles for Responsible Investment (UN PRI) Academy

Principles for Responsible Investment (PRI)



- The UN PRI aims to be at the forefront of understanding and advising ESG factors in investing and responsible investment.
- The UN PRI has over 5,300 signatories with over \$120 trillion Assets Under Management.
- The UN PRI Academy delivers online ESG training with a value proposition of *“Empowering organisations to bridge the ESG skills gap through practical and applied training delivered by the world’s leading proponent of responsible investment.”*

- The UN PRI takes the following approach to course development:

A holistic approach to course development



UNEP FI Principles for Responsible Banking (PRB)

Principles for Responsible Banking (PRB)



- The UN PRB supports banks to “take action to align their core strategy, decision-making, lending and investment with the UN Sustainable Development Goals, and international agreements such as the Paris Climate Agreement”.
- Capacity building is a key part of this mandate and is achieved through training, workshops, individual technical support and the PRB Academy.
- The UN PRB outlined the following key learnings from their experience in delivering capacity building in the sector:

<p>Virtual webinars are very resource efficient, and allow a broad outreach - but the format is less suitable to allow deep dives</p>	<p>Alignment with local sustainable finance regulation is key – in many countries capacity building in central banks is also needed in parallel</p>	<p>Global knowledge/best practice is accessible to FIs – the added value is to “localize” contents – NGOs/other local actors can support that</p>	<p>Good experience with peer learning elements – can be increased</p>	<p>Also good experience with external partners (e.g. PCAF) – similar approach possible for other topics</p>
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UNEP FI Principles for Sustainable Insurance (PSI)

Principles for Sustainable Insurance (PSI)



- Established in 2012, the UN PSI’s purpose is “to better understand, prevent and reduce environmental, social and governance risks, and to better manage opportunities to provide quality and reliable risk protection”.
- UN PSI have the following 4 principles of sustainable insurance:
 1. We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.
 2. We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

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3. We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.
 4. We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the principles.
- Capacity building is a key element of the UN PSI's work and the following are the focus areas within this:



4.3 Current Initiatives in Ireland

Stakeholders in the finance sector in Ireland currently have a range of initiatives focused on sustainable finance. These include:



IOB is a professional network of over 34,000 members who work in the Financial Services sector. IOB is a recognised college of University College Dublin (UCD) and is a centre of excellence in the provision of specialist education to the Financial Services sector. IOB have the largest continuing professional development community in Ireland with over 23,000 registered members, committed to lifelong learning. IOB delivers a range of ESG and Sustainable Finance Programmes across all levels of the National Framework of Qualifications (NFQ), including diplomas and certificates at professional and graduate level. In addition, IOB has a wide range of short courses, events and micro credentials available for its members and is integrating ESG across all its programmes.



Financial Services Ireland Group (FSI) is the Ibec group representing Financial Services on a whole-of-industry basis. FSI have 160 members and are engaged in domestic and international banking, insurance and reinsurance, asset management, fund administration, securitisation, aircraft leasing, and payments/fintech. FSI's vision for sustainable finance is to make Ireland a world class location for sustainable finance. FSI have collaborated with industry stakeholders to progress this agenda, such as convening sessions with members, government and agencies to work together on barriers to, and opportunities for, sustainable finance in Ireland and facilitating more capital to green the Irish economy. The FSI/City of London Dialogue also focuses on sustainable finance, bringing together CEOs and C-suite members of Financial Services firms in Dublin and London with officials and regulators, to hear about best practice

whilst navigating the post-Brexit reality with differing regulations on sustainable finance and reporting. FSI have also recently developed a world first course for compliance professionals on sustainable finance.



Banking & Payments Federation Ireland (BPF), the representative body of banking and payments in Ireland, represents over 125 domestic and international member institutions. In addition to informing the sector on the evolving sustainable finance legislative regime and leading advocacy on sustainable finance, BPF provides members with “deep dive” style opportunities to understand the changing finance landscape in conjunction with ESG experts from supervisors, government, banks and consultancies. BPF members attend in-person sessions on specific matters and attend the BPF Sustainable Banking Insights Series of Webinars. Topics considered to date include: Financing the Transition, Climate -Risk Regulations, TCFD, Corporate Sustainability Reporting, Ireland’s Decarbonising the Agenda, TNFD, EBA’s SF Mandate, ECB Guidance, EU Taxonomy and the overall SF Regime.



The Insurance Institute is a professional education body of over 15,000 members who work in the Insurance and Reinsurance profession. The Insurance Institute launched a Level 7 Certificate in Climate Risk Programme in December 2022. In a rapidly evolving regulatory landscape, understanding climate risk is not just a necessity, but a responsibility for every financial services professional. The Insurance Institute’s Climate Risk Programme has been designed specifically to provide the professional knowledge and expertise needed to support customers, colleagues, and communities in the transition to a sustainable, low-carbon world. In addition, the Institute has a wide range of CPD available for its members on climate, ESG and sustainability as part of their weekly lunchtime lecture series as well as integrating sustainability across all of its programmes.



The Compliance Institute is the professional body for compliance professionals. With over 3,400 members, it is a provider of education and professional development in compliance, providing an authoritative voice on matters relating to regulatory compliance and business ethics in industry in Ireland. The Compliance Institute has three objectives - To promote the advancement of knowledge, information, views and ideas in the field of regulatory compliance and business ethics; To provide training and education, and conduct examinations in regulatory compliance and business ethics; and To promote high ethical standards among all persons engaged in regulatory compliance. The Compliance Institute’s ethos of ongoing close collaboration with regulators, educational partners, industry bodies, stakeholders, compliance professionals and students, works towards embedding compliance as an enabler of business.

A list of specific courses available is outlined in Appendix 2.

4.4 Lessons Learned

From the evidence base review and engagement with domestic and international organisations involved in sustainable finance capacity building, the following key learnings were observed:

- **Training Depth** – The knowledge and skills gap is well documented in the research, and anecdotally in our engagement with domestic and international stakeholders. This gap exists on two levels - Firstly, there is a baseline knowledge gap where individuals lack a general understanding of the

topic. Secondly, there's a gap in specialised, in-depth training that is crucial for imparting more detailed knowledge and skills. Some examples could include training on climate risk management, climate scenario modelling, ESG investing, EU Taxonomy eligibility and alignment, and more. This specialised training is essential for individuals to enhance ESG related practices within their specific business areas.

- **Training Format** – Multiple training providers, domestic and international, commented that online training may be best for reaching a wide audience with material that is easier to digest. However, it was noted that in-person training can be better suited for more comprehensive training, especially for peer learning elements.
- **Training Focus** – The importance of localised/region specific training was highlighted, especially by international stakeholders. However, both domestic and international stakeholders, recognised the benefits of incorporating global perspectives and showcasing best practice from around the world in local training programmes.
- **Training Audience** – Both top-down and bottom-up training are beneficial to drive change within an organisation. However, the importance of having senior leadership bought-in and engaged in driving sustainability within the organisation cannot be underestimated. This is evident in the A4S academy programme where senior finance professionals below C-suite level can join the programme, however commitment from leadership to support their implementation project is required before the programme begins.
- **Training Engagement** – Maximising participant engagement through peer-to-peer learning/ knowledge exchange and implementation was emphasised by organisations such as A4S and UN PRB as a way to embed training outcomes and boost impact.

5. Real Economy Engagement Survey

In April 2023, a survey was issued to firms regulated by the Central Bank of Ireland. The survey was designed by the working groups of the Climate Risk and Sustainable Finance Forum. The survey sought the views of the Financial Services industry on two high-priority topics – climate change risk management and climate change capacity building. All responses were anonymous and collated by the working groups for analysis. This survey generated industry insights and it is recommended that the survey is conducted annually to measure progress and track trends.

5.1 Investment Firms

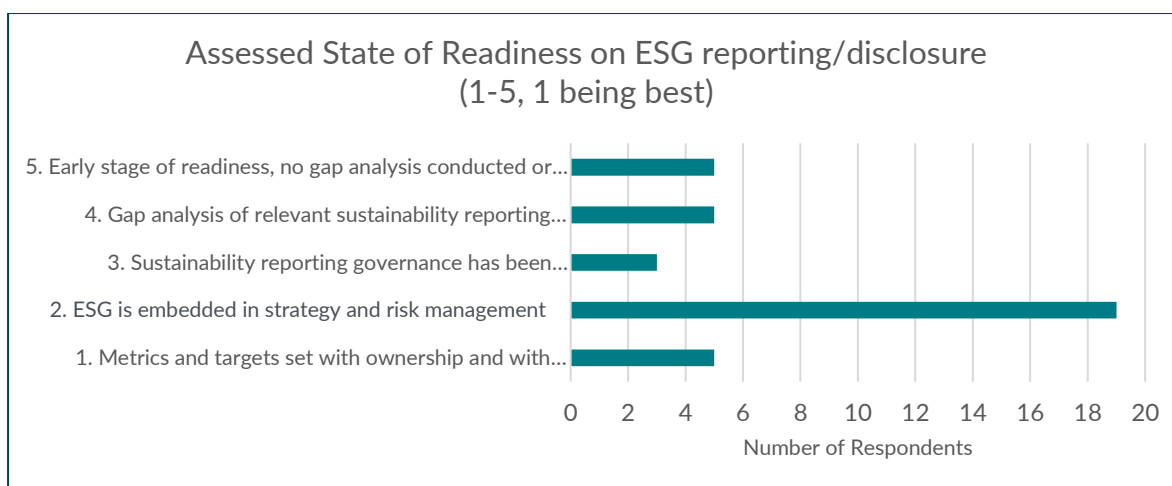
Respondents:

- Investment Firms includes Non-Retail IIA Firms (“Investment Business Firms”) and Firms authorised under the Markets in Financial Instruments Directive (“MiFID Firms”).
- Noted that the sample size of 37 respondents is relatively small, however the findings indicate that of the respondents, 19 firms have ESG embedded and 5 are at early stages.

Readiness:

- The remainder are in the implementation stages. There is a strong reliance on international parent group support. The findings show that 7 out of the 37 firms have a dedicated Sustainability Officer (or similar); 17 firms have an L&D Programme on ESG with a further 15 planning on putting one in place over the next 12 months. Only 2 firms have a board member with climate expertise and a further 5 hope to add one in the coming 12 months.

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Comparison of current and future state ESG resources and measures over next 12 months from May 2023

Type of Resource & Timeline	As at May 2023	Next 12 Months	Planned Total as at mid-2024
Parent group resource based internationally (please specify)	21	13	34
Learning & Development programme on ESG	17	15	32
Dedicated role (e.g. Chief Sustainability Officer or similar)	7	5	12
Dedicated Executive-level Committee	6	5	11
Dedicated budget for ESG	6	7	13
Other (please specify)	6	10	16
Science based carbon reduction targets	6	4	10
Other carbon reduction targets	4	8	12
Board member with climate expertise	2	5	7

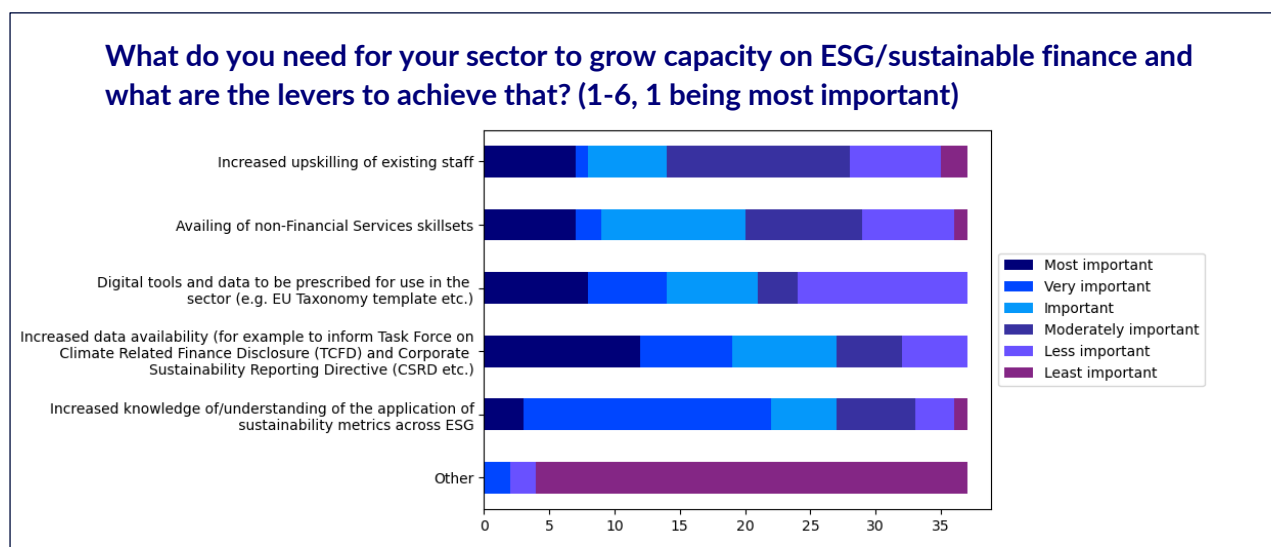
Resources and L&D:

- Data availability and skills shortages are issues but are lower down in priority (in contrast to other industries). There are mixed views on the effectiveness of training, as for example, introductory training is judged to be both the type of training that currently works best and works least.
- There are challenges in finding a “one size fits all” training format to suit the variety of MiFID firms in the market. In addition, the cost of ESG and the lack of internal resources may be a limiting factor, therefore respondents deemed it important to build awareness of subsidised programmes such as Skillnet.

Challenges & Opportunities:

- Respondents indicated that there is a clear appetite and planning around upskilling staff on ESG issues across the board (from job-specific to introductory training and including training for boards).
- It is noted that a small proportion of training and development budgets is currently allocated to ESG and there is low awareness of external supports, with training identified as the single biggest challenge.
- In relation to tailored training formats, regulatory risk and compliance specific training are the areas identified as priorities by respondents. In terms of opportunities, additional industry collaborations in this area are highlighted including the setting up of new groups to facilitate knowledge sharing and mutual support.

- The availability of external supports is cited as the single biggest challenge (at respondent level) and this points to the need to build awareness of resources, supports and funding through organisations such as Skillnet/ISFCoE.



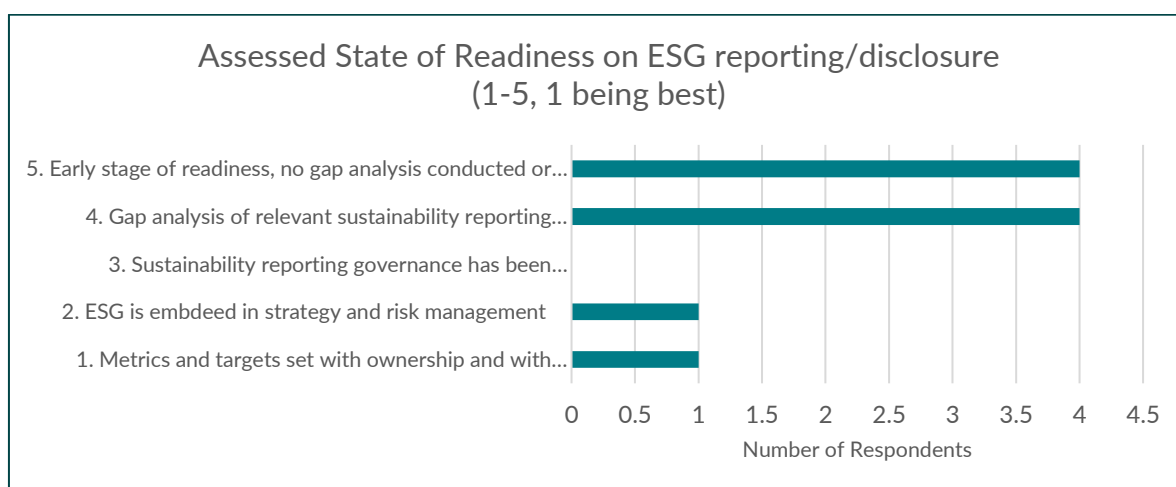
5.2 Payment and E-money Institutions

Respondents:

- Noted to be a small sample size as only 10 of the 53 payment and e-money institutions surveyed responded.

Readiness:

- Based on the responses received, payment and e-money institutions are at an early stage of readiness relating to sustainability and ESG practices. Respondents have conducted gap analyses, but the survey indicated no considerable action on foot of such analysis.
- It is notable that less support is available to firms in this space relative to other Financial Services sectors. Furthermore, there is a limited consideration of risks/opportunities of climate change (except in blockchain technology, where the payment firms are taking action to green their operations as this technology is energy intensive and susceptible to geo-political actions).



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Comparison of current and future state ESG resources and measures over next 12 months from May 2023

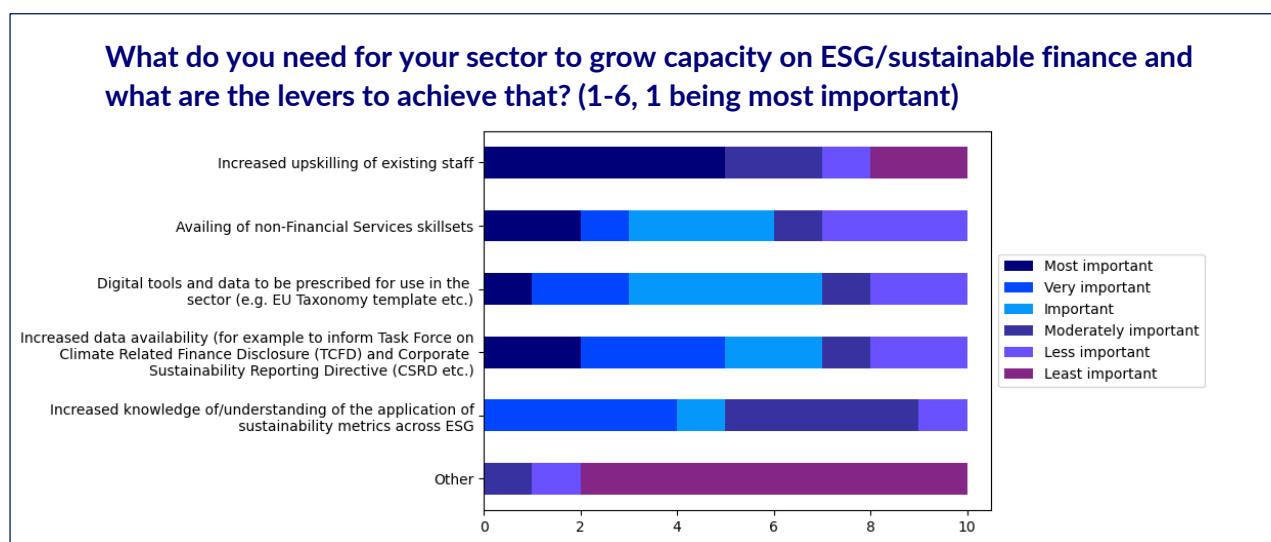
Type of Resource & Timeline	As at May 2023	Next 12 Months	Planned Total as at mid-2024
Parent group resource based internationally (please specify)	9	5	14
Other (please specify)	3	2	5
Other carbon reduction targets	3	3	6
Learning & Development programme on ESG	2	4	6
Dedicated Executive-level Committee	2	1	3
Science based carbon reduction targets	1	1	2
Dedicated role (e.g. Chief Sustainability Officer or similar)	0	0	0
Board member with climate expertise	0	1	1
Dedicated budget for ESG	0	2	2

Resources and L&D:

- There are contrasting but important views on embedding ESG in the organisations:
 - 'Introductory ESG Training' is viewed highly.
 - Relatively even spread of priority areas.
 - The industry is in early stages on ESG and sustainability, with significant reliance on parent group resources and limited firms having ESG learning and development function (two as of now).
 - Upskilling existing staff is the clear ESG growth lever, however, there is little or no ESG training budget.
- Overall, internal capacity and key skills are identified as clear gaps. In relation to tailored training opportunities for the sector, a focus on embedding ESG in operational due diligence and regulatory risk are the areas identified.

Challenges & Opportunities:

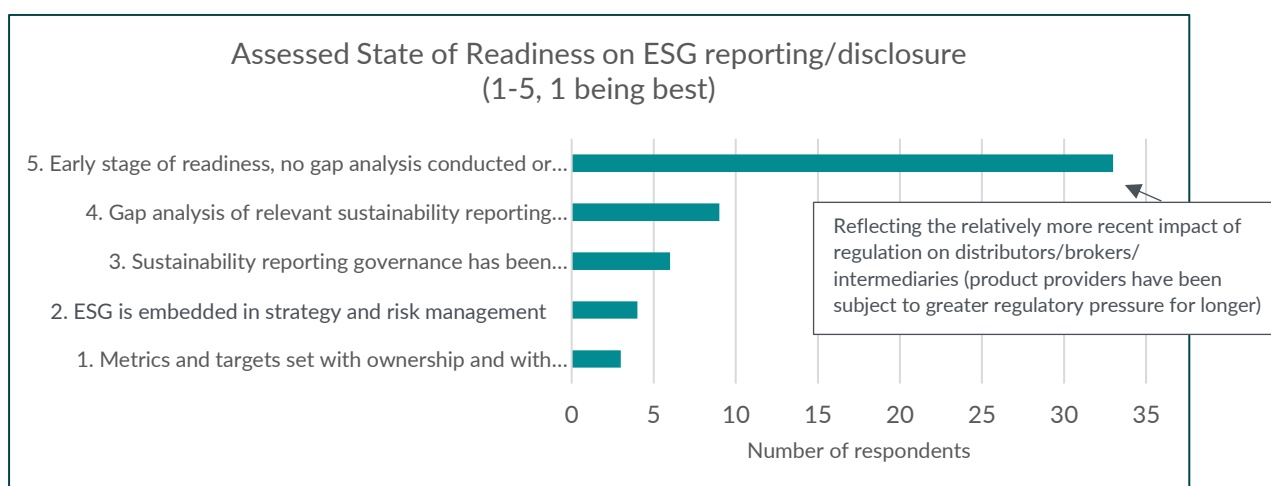
- For firms in this space, the immediate priority is assessed to be the need to raise awareness of the risks and opportunities of climate change for the sector.
- Following this, it is recommended that companies investigate opportunities for ESG in this industry within the Irish context.
- To facilitate this growth, it is key that the sector be encouraged to put in place learning and development plans. This could be an end goal for the payment and e-money institutions.



5.3 Brokers and Intermediaries

Respondents & Readiness:

- The broker/intermediary landscape is very graduated, comprising of some large organisations and a large cohort of micro/small businesses many of which are one person operations. As such, the resources available to respondents differs greatly from one end of the spectrum to the other.
- It is also noted that regulations affecting intermediaries in the ESG/sustainability space are relatively recent and still bedding in and have been subject to clarifications by EIOPA due to confusion at a pan European level.
- The turnover and headcount filters applied (less than €1m turnover) to the survey results means the filtered responses are likely not reflective of the challenges faced by the large percentage of micro/small businesses operating in the area. In addition, the survey does not differentiate between general insurance and life businesses and the challenges facing each can be different.
- Given the nature & scale of small-medium sized intermediaries who are non-product producing firms, it is likely that the majority of intermediaries would not have the financial or resource capacity to have a dedicated role/budget in respect of ESG.
- However, what is clear is that the majority of individual customer interactions happen through these small firms and therefore it is imperative that 'the system/big players/State' enable the adviser, and their end customers, to have confidence in the products and services which will impact sustainability.



Comparison of current and future state ESG resources and measures over next 12 months from May 2023

Type of Resource & Timeline	As at May 2023	Next 12 Months	Planned Total as at mid-2024
Other (please specify)	19	7	26
Parent group resource based internationally (please specify)	13	11	24
Learning & Development programme on ESG	10	18	28
Other carbon reduction targets	9	7	16
Board member with climate expertise	6	3	9
Dedicated Executive-level Committee	5	7	12
Dedicated role (e.g. Chief Sustainability Officer or similar)	5	4	9
Dedicated budget for ESG	2	6	8
Science based carbon reduction targets	0	7	7

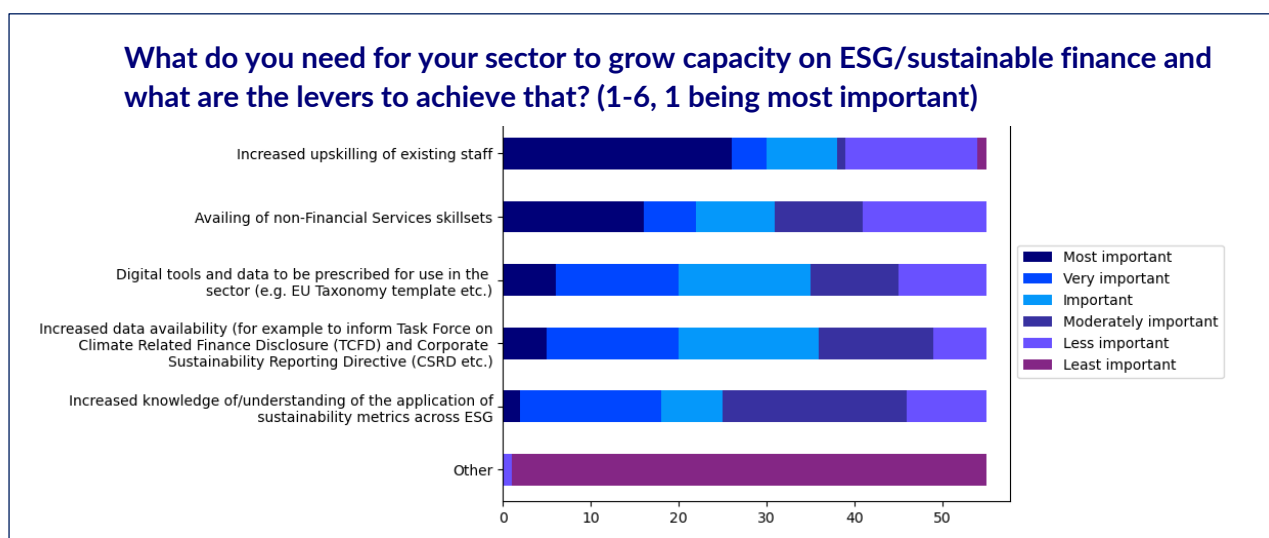
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Resources and L&D:

- The survey (for the larger, filtered respondents) indicates that the introduction of Learning & Development plans is the most common planned resource in the coming 12 months with a high demand for compliance/regulatory risk specific courses.
- Respondents indicated that the entire ESG area is challenging for them. In relation to training, general introductory training courses are seen as being most effective, however given the need, the introduction of structured, accessible and formally recognised training at a broad introductory level as well as at a more specific risk and compliance level is also needed.

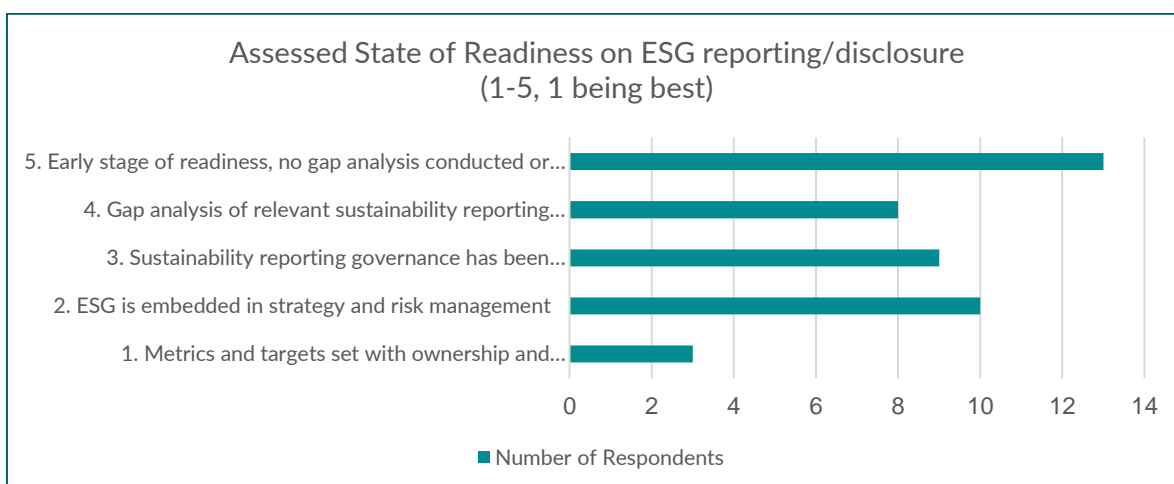
Challenges & Opportunities:

- In terms of opportunities to facilitate ESG capacity development in the sector, the provision of clearer guidance/information as to how ESG readiness requirements apply to differing business lines/areas is a priority.
- Upskilling existing staff is ranked as the most important lever for growing capacity on ESG/sustainable finance. This finding corresponds with small businesses not able to afford to have a dedicated resource in this area.
- Increased co-ordination between product producers and larger broker/intermediaries in terms of updates and information provided in the ESG space is needed.
- Furthermore, for the majority whose brokerage firms are very small entities, leadership and focus on the role of product producers will be critical to support brokers and customers making simpler choices.



5.4 Insurance

- In terms of respondents, companies with a turnover of €1m or less were filtered out. 17 of the remaining respondents were Life Assurance and 27 were non-life insurance.



Comparison of current and future state ESG resources and measures over next 12 months from May 2023

Type of Resource & Timeline	As at May 2023	Next 12 Months	Planned Total as at mid-2024
Parent group resource based internationally (please specify)	24	16	40
Learning & Development programme on ESG	15	21	36
Dedicated Executive-level Committee	11	7	18
Other carbon reduction targets	10	8	18
Dedicated role (e.g. Chief Sustainability Officer or similar)	9	8	17
Board member with climate expertise	7	3	10
Other (please specify)	7	8	15
Dedicated budget for ESG	6	13	19
Science based carbon reduction targets	4	13	17

Readiness:

- Approximately 13 companies are at an early stage of readiness with the remainder further advanced.
- There is variation in respect of the state of readiness with non-life companies potentially more impacted by climate change physical risks and therefore will have had to be more proactive with their sustainability agenda.
- Life companies, which are mainly impacted by SFDR and IDD regulations, are perhaps not seeing the demand for sustainable products or unit linked funds as yet.
- Overall, the picture is somewhat unclear with more life companies than non-life being at advanced stages of readiness while at the other end of the spectrum, more life companies than non-life are at the preliminary stages of readiness.

Resources and L&D:

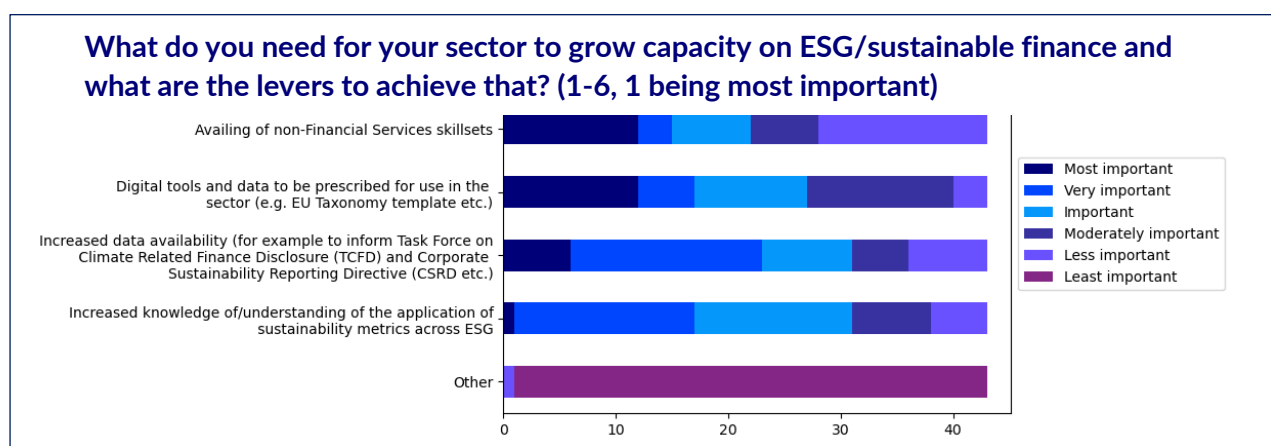
- Both life and non-life companies rely heavily on their parent groups where this support is available. Learning and development programs and further support from parent companies are the main focus of most life and non-life insurers in the next 12 months. For specific types of training, operationalising regulatory requirements and reporting and oversight integration were identified as priorities.

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- Other areas where insurers plan to make progress in the next 12 months are: Creating a dedicated budget for ESG, science-based carbon reduction targets, and creating a dedicated Chief Sustainability Officer (or similar) role.

Challenges & Opportunities:

- Data availability and adequacy is reported as the biggest barrier limiting sustainability and ESG capacity building in the financial sector.
- Internal capacity (i.e. staff, systems, culture) and availability of key skills were also recognised as challenges to the businesses surveyed.
- Insurers see opportunity in upskilling staff, improvements in data availability and through developments such as the CSRD that will create a common framework for the disclosure of ESG/sustainability metrics/targets.
- Upskilling of staff is a priority for many insurance companies and to achieve this, there is a need to think about the full breadth of ESG education needs from basic level information to some focused, specific training requirements i.e., investments, underwriting, compliance, etc.

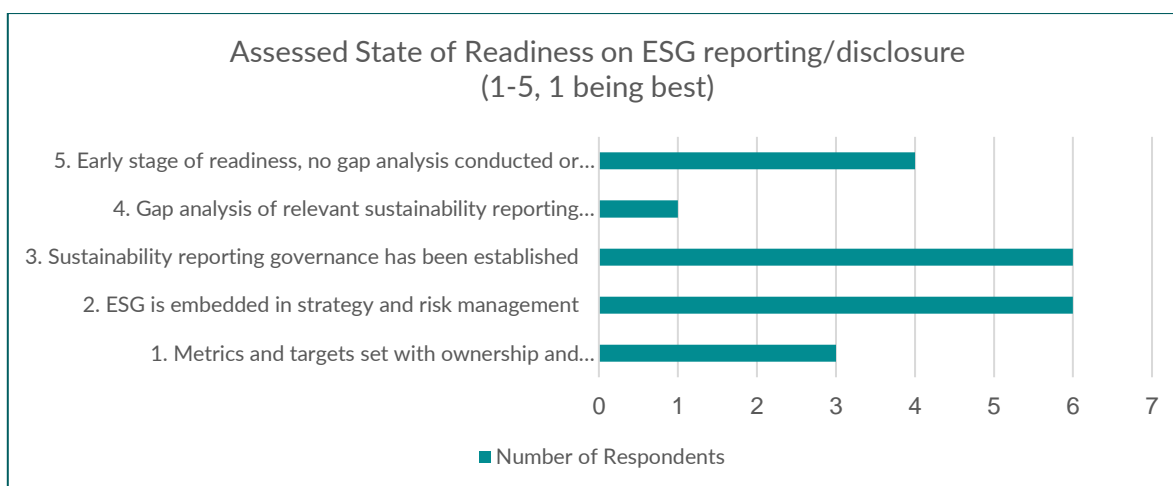


5.5 Banking

Readiness:

- 3 respondents indicated they are at the highest state of readiness while 12 respondents reported governance established and 6 have ESG embedded in their strategy and in Risk Management. 5 responses are still at the early stages of readiness.
- 5 respondents indicated resources/measures on ESG are currently in place via a parent group based internationally, while 4 indicated an L&D programme is in place.
- Only 2 respondents indicated that a dedicated role is in place, although 2 also show that climate expertise is provided through a board member.

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Comparison of current and future state ESG resources and measures over next 12 months from May 2023

Type of Resource & Timeline	As at May 2023	Next 12 Months	Planned Total as at mid-2024
Parent group resource based internationally (please specify)	14	9	23
Learning & Development programme on ESG	12	11	23
Board member with climate expertise	6	4	10
Other carbon reduction targets	6	6	12
Dedicated budget for ESG	5	6	11
Science based carbon reduction targets	5	5	10
Dedicated Executive-level Committee	3	4	7
Dedicated role (e.g. Chief Sustainability Officer or similar)	3	3	6
Other (please specify)	1	5	6

Resources and L&D:

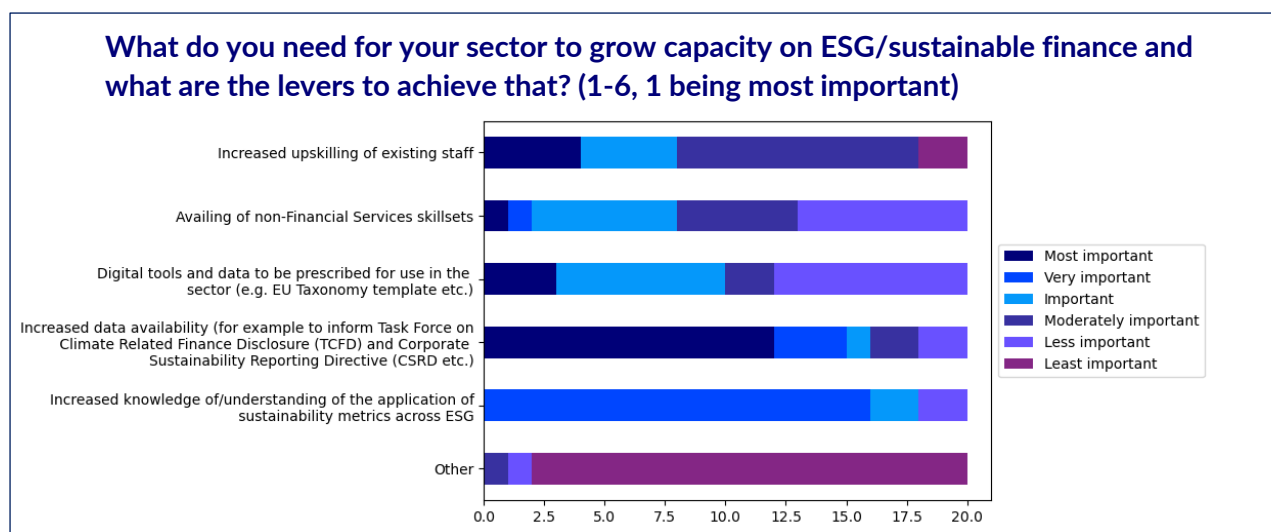
- In relation to learning and development programmes, 12 respondents indicated that a L&D programme will be in place in the next 12 months with only 3 companies indicating a dedicated role – such as Chief Sustainability Officer or similar - will be in place. 6 respondents indicated that climate expertise is provided through a board member or dedicated executive level position.
- Training in embedding ESG in operations, and operationalising the regulatory requirements, are the highest training areas the respondents would like to see in their organisation in the next 12-18 months.
- Other priority training options included continual training provided by group and training on disclosure requirements.

Challenges & Opportunities:

- Respondents said the approaches that currently work best include non-role specific introductory/general ESG training, Role Specific ESG training and upskilling, and e-Learning from external providers.
- The main gap areas limiting capacity building in the sector were identified as being the availability of key skills, the availability of and awareness of external supports (training, courses, advice), and internal capacity (staff, systems, and culture).
- Data availability/adequacy (including sub-sector-related data) was cited by 70% of the respondents as the "Greatest Challenge" and the "Very Greatest Challenge" by 15%.

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- In terms of opportunities, utilising pre-existing digital tools and data that are mandated for use were rated as the top two priorities followed by continued upskilling of staff, including through the development of a competency framework for the banking sector.

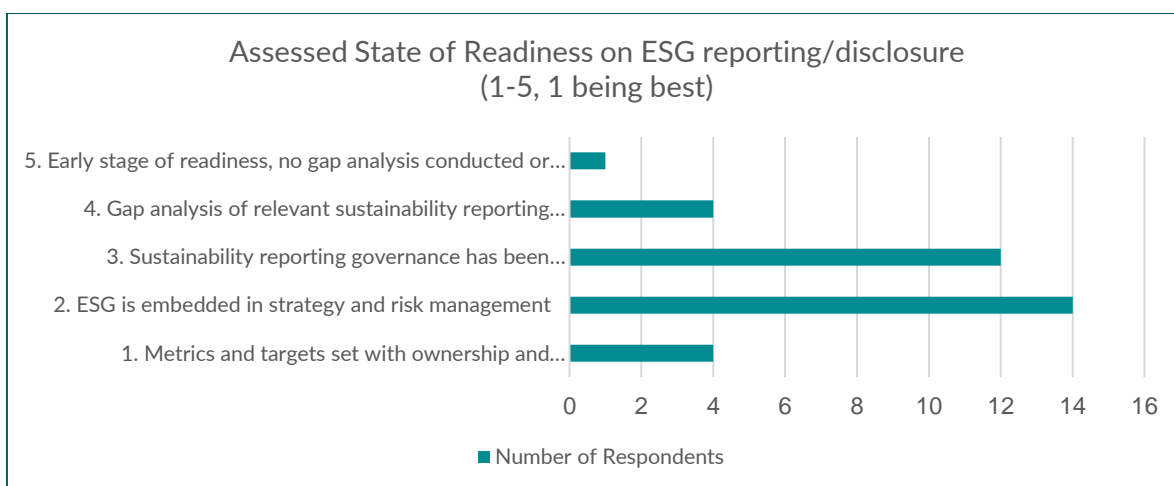


5.6 Fund Service Providers

Respondents and Readiness:

- Noted the sample size of 35 respondents - 11 of 35 have 1-10 employees and 16 have 11-50 employees, indicating the larger fund service providers with more employees are not captured in the survey responses.
- 18 companies view themselves as at an advanced state of readiness, with only 1 at the early stages.
- A majority of firms leveraging off parent Group ESG expertise and/or Group directors with expertise appears to contribute to high overall ESG readiness score for fund services sector.
- None of the companies that ranked highest in terms of ESG readiness identified having a board member with ESG expertise. However, in the group ranked next highest in readiness, 5 firms had board members with climate expertise and 6 had dedicated exec-level committees.
- The statistics show an expected “nudge” up over the next 12-18 months – board members with climate expertise expected to rise from 5 to 9 and dedicated executive level committees to rise from 6 to 8.

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Comparison of current and future state ESG resources and measures over next 12 months from May 2023

Type of Resource & Timeline	As at May 2023	Next 12 Months	Planned Total as at mid-2024
Parent group resource based internationally (please specify)	26	14	35
Learning & Development programme on ESG	14	19	33
Other (please specify)	6	8	14
Dedicated Executive-level Committee	6	7	13
Board member with climate expertise	5	6	11
Dedicated budget for ESG	4	6	10
Science based carbon reduction targets	4	3	7
Dedicated role (e.g. Chief Sustainability Officer or similar)	3	3	6
Other carbon reduction targets	3	5	8

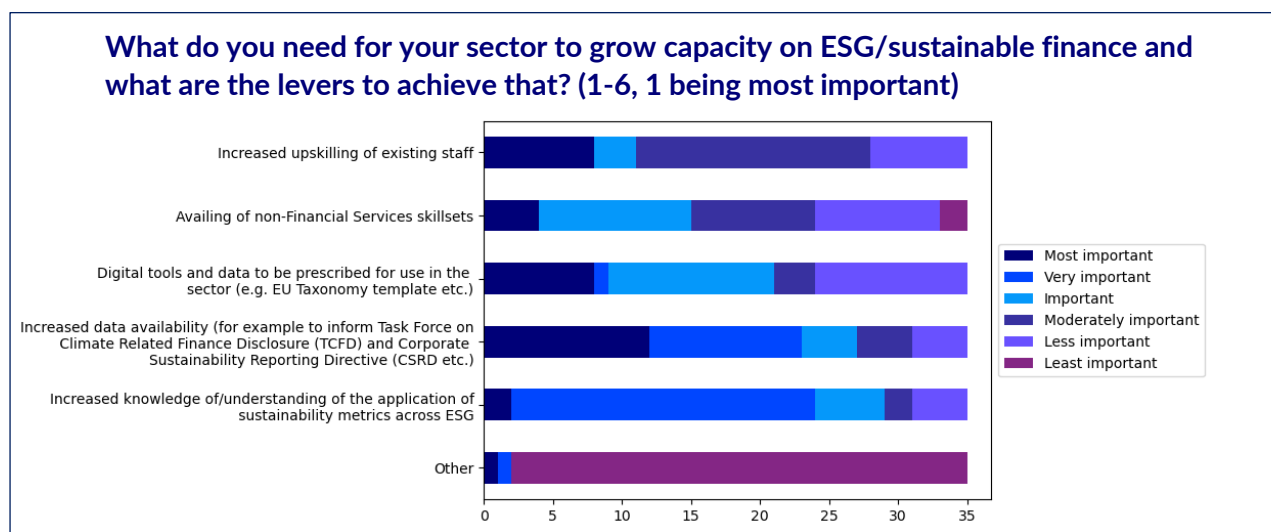
Resources and L&D:

- Most respondent firms are supported by parents and ESG resources are based internationally, with substantially less “local” expertise utilised.
- Firms recognise the need for continued ESG learning and development and have plans to ramp up - 14 of 35 respondents have an L&D programme in place already, expected to grow to 19 over next 12 months.
- Respondents had a clear sense of their needs, identifying certain areas of training and development as particular priorities:
 - Firms ranking lowest in ESG readiness expect to focus more on regulatory specific training and on operationalising regulations – suggesting emphasis on “compliance” first, with the broader ESG landscape thereafter.
 - For firms with no access to dedicated climate risk expertise, training regarding Irish entity regulatory and reporting requirements will be a priority.
 - Those rating highest in ESG readiness have less emphasis on compliance or regulatory training – possibly already well embedded or captured by access to group resources. For instance, 1 such respondent has no plans for new training initiatives over the next year but has access to a European-wide ESG working group.

Challenges & Opportunities:

Levers seen as key to advancing ESG preparedness and harnessing opportunities in funds services include:

- Raising awareness of training courses and assistance that can be provided in upskilling staff.
- Responding to areas of particular demand, i.e. compliance specific training and ESG investment oversight, training in the latter especially sought after and viewed as important by respondent firms (77%).
- Clarifying what defines embedding climate risk (no current consistent understanding of what this means in the funds industry).
- Further guidance on and improvements in data availability/adequacy, digitalisation.
- Greater understanding and standardisation of ESG metrics and application.
- Appetite for continued learning and upskilling in the funds services industry is clear and internal capacity to undertake training is not highlighted as a limitation. However, awareness of available and recommended training and supports appears to be the challenge. Appraising the sector of suitable options, including the suite of Skillnet offerings, and signposting towards training relevant for particular roles and functions would be a positive step. Irish Funds completed a mapping of fund industry roles to ESG skills and associated training as part of its 2022 Skills Report which can also help accelerate this initiative.
- In terms of future growth of the funds services industry and the overall Financial Services sector, data availability and adequacy is reported as the biggest barrier; this may require a coordinated policy response.



5.7 Credit Unions

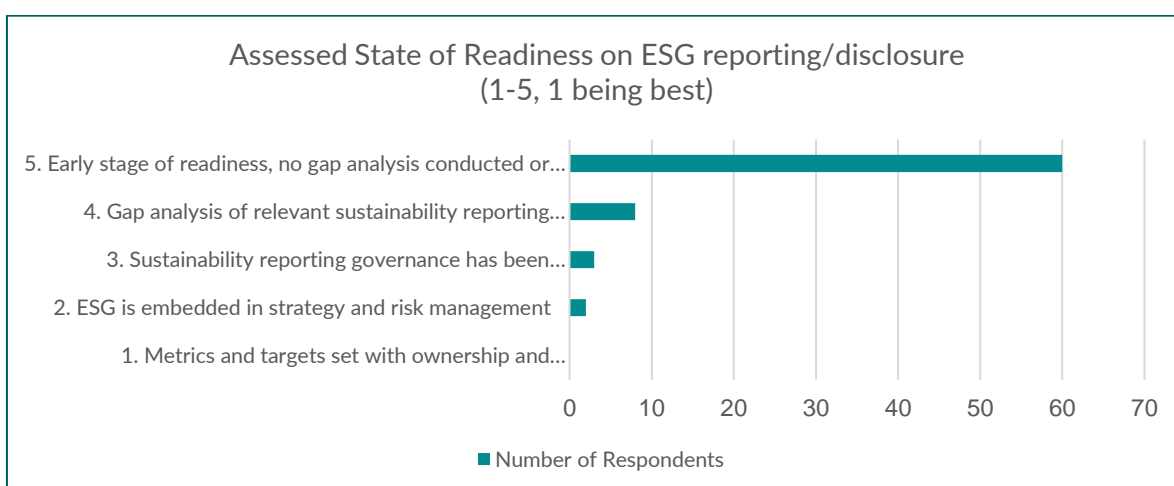
Respondents:

- Credit Unions vary significantly by scale with 205 trading credit unions at the end of 2022. There were 101 credit union responses to the questionnaire, and with the filter applied to smaller-turnover credit unions, it is noted this may have distorted the findings.

Capacity Building Working Group

Readiness:

- On the basis of the responses received, the vast majority of Credit Unions are at early stages of ESG Reporting at 60. Key strategies of respondents focus on learning (22) and executive-level committees or other dedicated executive roles (30). 43 respondents prioritise learning in future plans, 39 executive-led committees, 36 dedicated budgets, 40 other, 23 Science-based GHG reduction targets and 12 dedicated Chief Sustainability Officer roles. Respondents' views that solutions will be delivered by Executives and Executive Committees varied with dependence on Boards for leadership being flagged. 67 respondents presented increased operating costs as transition risks and 32 identified reduced demand.



Comparison of current and future state ESG resources and measures over next 12 months from May 2023

Type of Resource & Timeline	As at May 2023	Next 12 Months	Planned Total as at mid-2024
Learning & Development programme on ESG	30	43	73
Dedicated Executive-level Committee	22	39	61
Other (please specify)	21	4	25
Dedicated role (e.g. Chief Sustainability Officer or similar)	8	12	20
Other carbon reduction targets	7	24	31
Board member with climate expertise	6	4	10
Dedicated budget for ESG	6	36	42
Parent group resource based internationally (please specify)	1	0	1
Science based carbon reduction targets	0	23	23

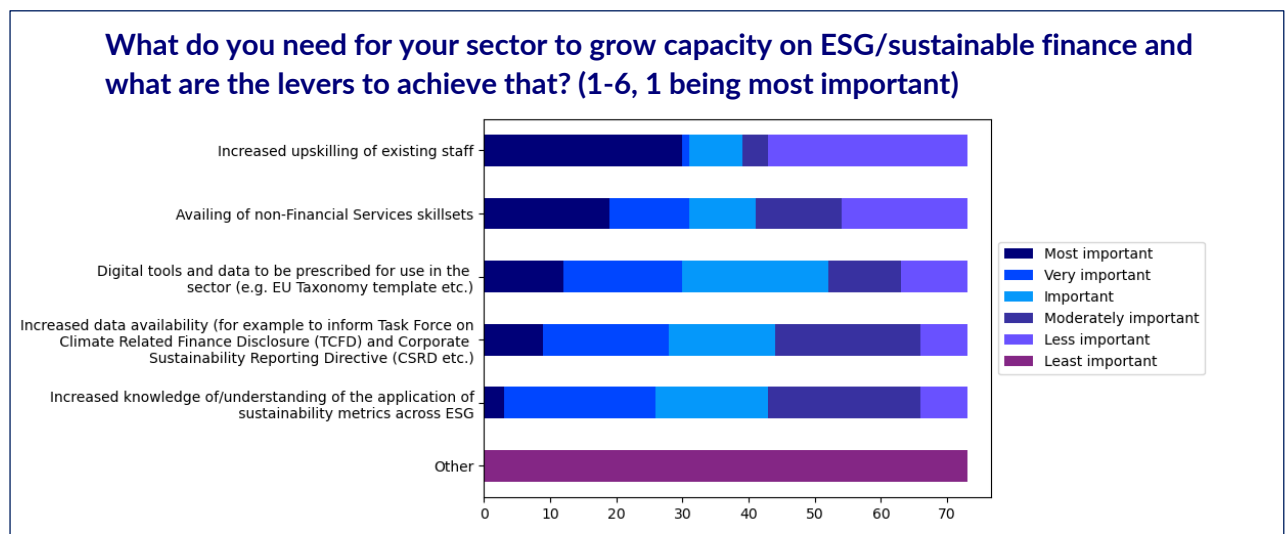
Resources and L&D:

- Learning is a key gap identified in the responses. Given that credit unions are at early stages of development, the tailored training courses referred to above can inform credit union priorities. This is best addressed by further training in these areas.
- In addition, internal capacity and the availability of external supports, followed by lack of key skills, are identified as significant gaps.
- The availability of relevant data in all parts of Ireland, including data on flood patterns, sectoral emissions, and other areas, is significant too.
- The ability to safely refuse credit based upon likely adverse climate impacts is also a potential problem.

Capacity Building Working Group




Challenges & Opportunities:





- For firms in this space, opportunities include deriving revenue from transition and adaptation needs of members and developing a limited range of new services. Obtaining advantage from enhanced member responsiveness is seen as another opportunity.
- To overcome existing challenges and realise opportunities, there is a need for the state to incentivise transition through more generous and more easily obtained grants.
- The provision of professional training and technical enablement must also be encouraged and subsidised. Within Credit Unions, ESG must be driven by professional, senior and junior staff.
- To reward staff initiative and focus on this area, Professional Training including CPD for ESG Training should be introduced. Finally, it is recommended that the State create appropriate risk-based databases for assessment purposes.





6. Recommendations

Following the desktop research and real economy survey market engagement, the Working Group have the following overarching cross-sectoral recommendations. The importance of having leaders bought-in and engaged in driving sustainability cannot be underestimated and therefore it is paramount that these recommendations have the buy-in, and are driven by, senior leadership in industry, government, and regulators. The working group has identified that engagement should initially take place with the following parties. The next step of implementation would be to engage parties and then progress action, as outlined in Section 1.3 of the report, Roadmap and Timeline. Recommendations are outlined below.

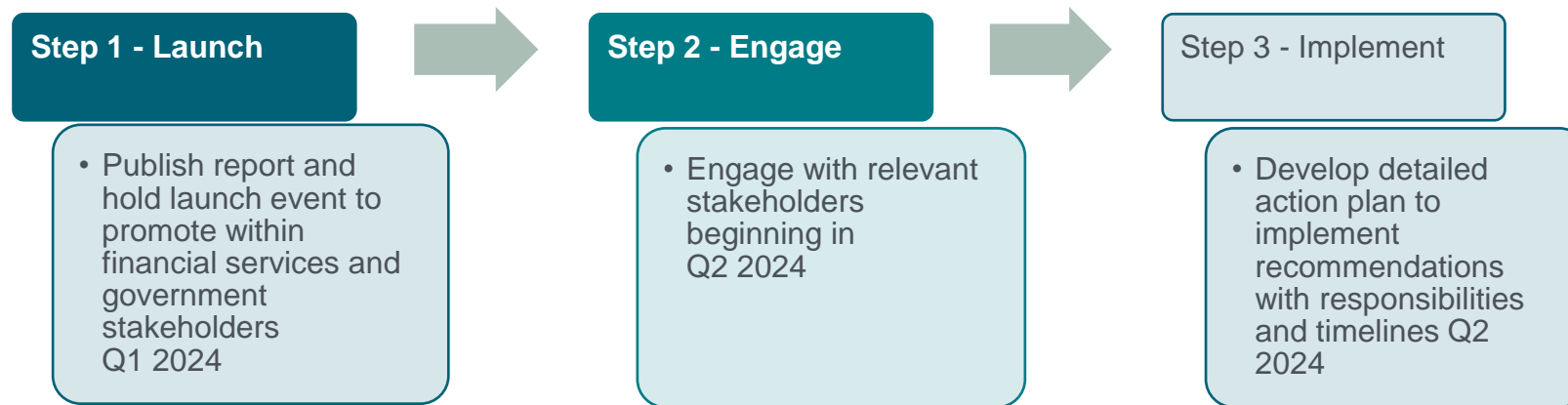
Area	Actions	Parties
 <p>1. Awareness Raising at Industry Level</p>	<ul style="list-style-type: none"> ■ A coordinated campaign to highlight the need for Financial Services staff, management and boards (or directors) to upskill in ESG and the benefits of doing so (e.g. career opportunities; being part of the solution, robust oversight etc). ■ Awareness raising of the resources available for individuals and companies to utilise through the 'one stop shop' ISFCoE/ Sustainable Finance (SF) Skillnet/ International Financial Services (IFS) Skillnet funding. 	<ul style="list-style-type: none"> ■ Financial Services Ireland, Insurance Ireland, Banking & Payments Federation Ireland, Irish Funds, Irish MiFID Industry Association, Institute of Bankers, Society of Actuaries in Ireland, Life Insurance Association (LIA).
 <p>2. Awareness Raising at Consumer Level</p>	<ul style="list-style-type: none"> ■ Education and awareness raising of sustainable financial products for consumers and customers. ■ A coordinated campaign to educate customers to identify more sustainable financial products and empower them to ask. 	<ul style="list-style-type: none"> ■ Competition and Consumer Protection Commission, Institute of Bankers, Brokers Ireland, Credit Union Managers Association, Life Insurance Association (LIA).
 <p>3. Development of a Skills Framework for each Financial Services sector</p>	<ul style="list-style-type: none"> ■ The ESG skills and talent requirements vary according to Financial Services sector and each sector should outline an ESG skills framework. ■ This would highlight skills needs by roles, allow for more detailed analysis of current sectoral capacity against the framework, and for targeted upskilling based on company size and needs. 	<ul style="list-style-type: none"> ■ Institute Of Bankers to progress current work on this in consultation with other relevant bodies.

 <p>4. Introductory Courses</p>	<ul style="list-style-type: none"> ■ Develop an introductory ESG course for all Financial Services professionals that can be completed online. ■ This course should set out the climate context, the evolving regulatory response and its relevance to the Financial Services sector. ■ Allocate CPD points to the introductory ESG course. 	<ul style="list-style-type: none"> ■ Institute Of Bankers for banking in consultation with industry. ■ International Sustainable Finance Centre of Excellence, SF Skillnet, Irish Fund Directors Association.
 <p>5. Specialised Courses by Function & Issue</p>	<ul style="list-style-type: none"> ■ Continue the roll out of longer form courses that target specific functional needs (e.g. FSI, IFS Skillnet, Compliance Institute, Sustainable Finance Skillnet (SFS) and IOB Professional Diploma in Sustainable Finance for Compliance Professionals, Insurance Institute Certificate on Climate Change). ■ Roll out of specific topic related courses (SFDR, CSRD etc) to meet growing industry needs. Such topics can involve a wider variety of roles and so can go beyond more specific functional needs. 	<ul style="list-style-type: none"> ■ International Sustainable Finance Centre of Excellence, International Financial Services Skillnet.
 <p>6. Integration of ESG into Pipeline Courses & Apprenticeships</p>	<ul style="list-style-type: none"> ■ Addition of ESG courses into all Financial Services college courses and Financial Services apprenticeships. ■ Integrate ESG components into the curriculums of professional exams for relevant financial services professions, e.g. accountancy, actuarial etc. ■ Integrate ESG components into Director training programmes. ■ ESG modules should be added to the list of relevant CPD categories for qualified professionals. 	<ul style="list-style-type: none"> ■ Government of Ireland. ■ Institute of Bankers, Insurance Institute, Financial Services Ireland, Irish Funds, Skillnet.
 <p>7. Education at the Frontline</p>	<ul style="list-style-type: none"> ■ Brokers, intermediaries, financial advisers and others are working at the consumer interface and guiding customers in choosing financial products. Roll out specific training programmes and financial supports for those working at the frontline to upskill them in this area. 	<ul style="list-style-type: none"> ■ Brokers Ireland, Institute of Bankers, Credit Union Managers Association.

 <p>8. Government Initiative: Enhancing Sustainability across Higher Education Courses</p>	<ul style="list-style-type: none"> ■ Implementing a comprehensive approach to future proof the workforce with sustainability skills. ■ Mandating the inclusion of sustainability content in (all) Higher Education courses, ensuring graduates and apprentices can contribute to industry alignment with sustainability targets. ■ Initial steps to involve meetings with Higher Education and Apprenticeship providers, to integrate sustainability and sustainable finance topics into relevant business, finance and accounting courses. 	<ul style="list-style-type: none"> ■ The Department of Further and Higher Education, Research, Innovation and Science / Higher Education Authority.
 <p>9. New Industry Narrative</p>	<ul style="list-style-type: none"> ■ Such is the need for ESG skills, Financial Services – across its constituent parts, and in particular its senior leaders - will need to articulate a coherent story on what role the industry is playing in support of wider climate goals. To attract and retain staff, this sense of purpose is key and requires alignment between industry representative bodies and others, to help attract talent to complement internal upskilling workstreams. 	<ul style="list-style-type: none"> ■ Industry representative bodies including Irish Funds, Insurance Ireland, Irish MiFID Industry Association, Society of Actuaries in Ireland, Financial Services Ireland, Banking & Payments Federation Ireland and Private Finance Initiative in conjunction with Ireland for Finance.

6.1 Roadmap and Timeline

A proposed roadmap and timeline to implement the recommendations for consideration by the Climate Forum is illustrated below.



Appendix 1 – Key Studies

Summaries of the main studies for the topic reviewed for Ireland are outlined below.

Report name: Deep sector analysis of future sustainable finance skills and talent requirements in Ireland (2019-2025)

Report objective: This report examined talent requirements in the Irish Financial Services sector and conducted a gap analysis between current and future skill requirements.

Methodology: The project was led by a steering group that provided direction. A survey, supported by interviews, was used to gather data from the industry on the current and future sustainable finance talent and skills requirements.

Key Findings: Skills and talent in the four sub-sectors (banking, insurance, asset management and fund services) of the Financial Services Sector are at different levels of maturity. In addition, there is a variation in sustainability skills and talent between front and back-office staff. For example, front-office staff in the asset management sector are more advanced in sustainable finance than middle and back-office staff.

Recommendations: A high-level action plan proposing 10 recommendations under the following three headings:

- 1) Programmes to be provided by Sustainable Finance Skillnet
- 2) Programmes to be provided by second and third-level institutions and education and training to be provided by professional bodies.
- 3) Guidance to assist the Financial Services providers to evaluate 'own needs' for sustainable finance.

Recommendations	No.	Title	Impact	Effort	Time
Programmes to be provided by Sustainable Finance Skillnet	1	Sustainability Skillnet to be refocused exclusively on Sustainable Finance activities and renamed Sustainable Finance Skillnet	High	Simple	Immediate/ Complete
	2	Consideration of an ESG fitness assessment	High	Complex	2-3 years
	3	Create a cohort of training facilitators	High	Average	1 year
	4	A proposed structure for programme delivery	High	Average	1-3 years
	5	Public relations strategy	Medium	Average	1-2 years
Programmes to be provided by education and training providers	6	Ensure fintech and regtech providers are appraised of ESG considerations and trained appropriately	High	Average	1 year
	7	Embed Sustainable Finance into all relevant curricula of second and third level programmes	High	Complex	1-10 years
	8	Integrate Sustainable Finance into professional education and continuous professional development	High	Complex	1-5 years
Guidance to assist the financial service providers to evaluate 'own needs'	9	Annual survey and review of Sustainable Finance skills and talent	Medium	Low	Annual
	10	A proposed guideline to assist financial service providers evaluate their 'own needs' for Sustainable Finance	High	Complex	1-10 years

Report name: Ireland's Sustainable Finance Skills Gap Report

Report objective: Building on the 2019 report which assessed sustainable finance skills in Ireland, the report was developed to provide insight on sustainable finance skills in Ireland in 2021 through the below objectives:

- Identify sustainable finance training courses available to Irish Financial Services sector professionals.
- Identify key professions for sustainable finance impact across banking, insurance, investment and asset management and funds management.
- Identify the drivers (both general, and specific regulatory drivers) of, training gaps and focus areas for skills development.
- Make recommendations to enhance the availability of sustainable finance skills to the Irish Financial Services industry.

Methodology: Detailed desktop research

Key Findings: The most common primary upskilling required is 'A high-level overview of ESG related impacts' (12%). This is in-line with previous findings suggesting that a baseline understanding of sustainable finance amongst all employees is required across the sector. Additionally, disclosure requirements and guidance (SFDR, NFRD/CSRD and TCFD) combined equal 15%. 50 different courses from a variety of providers across academia, industry, and professional associations (Appendix B). Having completed research on the roles and drivers, the courses were then allocated to the list of roles and the relevant drivers behind the need to upskill these roles.

This process allowed for the identification of surpluses and shortages in sustainable finance courses for the mapped roles, given their allocated drivers.

Recommendations: The report identified 3 key actions.

1. Increase the Availability of Technical Training
 - a. Integrate SF modules into existing Undergraduate and Masters across Business, Economics, Finance, Consulting, Energy, and Engineering.
 - b. Increase sustainable finance courses from professional development bodies.
 - c. Climate risk management and scenario planning training is needed by sector.
 - d. There is an opportunity to develop ESG financial product design courses.
2. Enable the Right Environment to Share Learning
 - a. Create incentives for practitioners to share learnings.
 - b. Create supply-side expertise that can be provided to a global market, making Ireland an attractive place for sustainable finance training and development.
3. Further Research is Required
 - a. A deeper dive study to understand the competency level of sustainable finance-related skills in Ireland.

Report name: ESG Training Needs Analysis for the Funds Industry

Report objective: to identify all skills and training needs across the funds industry and make recommendations in relation to the provision of training courses. The research sought to identify the root causes of the skills gap and how to address it.

Methodology: Research was conducted, and data was gathered using the following methods:

- Interviews with hiring managers and review of job specifications
- ESG training participants were contacted
- Review of existing sustainable finance courses
- Interviews with industry leaders, subject matter experts, senior and middle management

Key Findings: Irish Funds noted the following gaps around ESG skills and knowledge in the Irish Fund industry.

- Industry awareness of specific ESG requirements for roles and the awareness of relevant training courses available is very low.

- Company support for ESG training is insufficient and ESG training appears to be primarily employee-led rather than company-led
- There is a lack of available courses with shorter duration to attract “time-poor” senior and middle management levels.
- Many existing courses are not level or role-specific and it is difficult for participants to identify which courses are a fit for their role.

Recommendations: Irish Funds identified embedding a minimum baseline level of sustainable finance knowledge and skills as a key short-term priority.

Theme	Issues noted:	Recommendation
Industry Awareness	Awareness of specific ESG requirements for roles and the awareness of relevant training courses available can be low.	Share the matrix of ESG skills by role with the various industry working groups. Ensure that the course brochureware indicates which roles the training is directed to so that individuals can see relevance to their role.
	Industry companies are not always aware of the funding incentives available to enrol employees on the training.	Conduct a briefing session with industry to generate awareness of the training courses and funding available. This could be done in conjunction with Sustainable Finance Skillnet.
Company support	Staff in some cases are sourcing training material themselves to upskill in an unstructured format which is not scalable.	As noted, the ESG direction in many global industry companies is set from HQ internationally. Local firms need to focus on upskilling their staff to meet local needs. The Central Bank’s expectation that the Board and senior management be proactive in taking action to promote a culture “that places emphasis on climate and broader ESG issues consistent with the financial sector’s important role in supporting the transition to a carbon neutral future.” This should help us build ESG training into the “Culture” initiatives for regulated firms.
	ESG training appears to be primarily employee-led rather than company led.	
Management & Senior level uptake	The middle management and senior level of industry firms have 15+ years of experience and typically already have qualifications. This group is less likely to have the capacity or the inclination to commit to a three-month course such as CFA.	Develop concise targeted training courses that have a shorter duration using a modular approach so that they can be more easily attended by mid and senior management levels.
	ESG training does not appear to be high on senior and middle-management’s agenda. Many in operational roles, particularly for listed companies may have a short-term focus. Upskilling needs to be made more attractive for the individuals in this key target group by making courses more concise and over a shorter duration (one week) using a flexible, modular approach.	Provide a mapping of training courses to industry roles so companies and individuals can see the relevance and value more easily. A shorter duration will also encourage managers to free their staff to complete training.
Course availability	Feedback was that many good courses are available, but it is difficult for participants to identify which courses are a fit for their role. Training may not be specifically marketed towards certain roles so many attendees either get too much detail or too little detail.	Concise course description and targeted marketing will help companies and individuals to understand what they will achieve by attending these courses. The funds industry will require a modular approach to create the flexibility where participants can pick those areas that are most relevance to them. This will also avoid duplication of course material / delivery.
	Courses are not level or role-specific.	Distinguish between roles requiring high level knowledge and specialist roles requiring detailed technical and practical knowledge.

Report name: Financial Services in Ireland – Skills of the Future

Report objective: To highlight the new skills required in Ireland’s Financial Services sector, as it navigates an increasingly digital future and the challenges of climate change.

Methodology: Interviews (over 100 Financial Services personnel from CEOs to ‘working students’, focus groups, an online survey (based on outputs of interviews) and desk research.

Key Findings: The main skills gaps identified in the survey within the report were data analytics and machine learning (18%), digital transformation (18%), and risk and compliance (18%). A section of the report titled ‘Spotlight on ESG/ Sustainable Finance’ acknowledged that there is ‘a growing gap between the current availability of sustainable finance skills and what will be required to support growth in the field’. It also stated ‘A mission-critical aspect of the transition to a low-carbon economy is having sufficient access to sustainable finance skills and talent.

Recommendations: IFS Skillnet in collaboration with FSI and Skillnet Ireland recommend:

- Extend existing talent initiatives that increase access to in-demand skills, such as the IFS Skillnet and IFS, Insurance and Accounting Apprenticeships to help students and employees build work-ready skills.
- Attract talent early through well thought out strategically planned processes.
- Attract transition talent by showcasing modern financial institutions as technology-centric, innovative, world-class employers.
- Broaden recruitment filters to ensure that they are responsive to the changing nature of skills and experience.
- Focus on upskilling and reskilling as an opportunity for mid-career employees.

Report name: Sustainable Banking & Finance: Review & Recommendations on the Education and Training needs for Retail Financial Services in Ireland

Report objective: To establish the skills gaps, education and training needs for Retail Financial Services in Ireland in the area of sustainable finance.

Methodology: A desktop review of reports and articles relating to sustainable finance coupled with interviews with sustainability professionals and leaders at domestic retail banks and other non-bank market participants.

Key Findings: The majority of education and training around sustainable finance makes little, or no, reference to the Retail Financial Services sector. There is a degree of cross-over with regards to customers of Retail Financial Services in the Corporate and Institutional sub-sector but almost none when it comes to the SME or Household sub-sectors.

Recommendations: The report makes 5 key recommendations.

- Create a roadmap which addresses the skills gaps and offers a clear educational route for all within Retail Financial Services
- Develop continuous education and training for board and executives to develop strategy and leadership skills relating to sustainable finance / ESG activities.
- Develop flexible and modular course content catering for all roles and career levels within Retail Financial Services
- Create a collaborative central training hub to allow industry stakeholders to access information and support for education and training.
- Build teams with the knowledge and skills to guide and inform customers on sustainable finance.

Report name: Insurance industry ESG knowledge & skills analysis 2023

Report objective: to identify the current status of the insurance industry in relation to ESG capabilities and what it needs to do to upskill for tomorrow.

Key Findings:

- Basic ESG knowledge (“ESG 101”) is considered to be the most relevant skill/knowledge area across the majority of roles in insurance companies.
- People upskilling requirements was the lowest ranked factor in a relative ranking of a range of issues on the insurance industry: regulatory costs, ESG related pressures on profitability and data & reporting requirements are top of mind.
- 51% of the industry has an appetite to take an ESG training course, 94% of the industry has no formal ESG training: this is most prevalent amongst risk professionals, 74% of which expressed an interest in taking an ESG related course.

Recommendations:

- The consensus view suggests there is a need for an introductory ESG course that provides a high-level interpretation of the key themes.
- In-depth courses should be delivered on a role-specific vs topic-specific basis to ensure knowledge, skills and learning are applicable and practical.
- As ESG is an evolving risk and regulatory environment there will be a need to ensure course content is constantly under review and relevant.

Report name: Sustainable Finance Skills | Deep Dive Study 2023

Report objective: The objective of this report was to assess the impact, uptake, and effectiveness of sustainable finance skills training in Ireland over from 2020 to 2022. It aimed to identify and highlight current gaps in skills and knowledge, and how training needs are evolving and how to address these challenges.

Methodology: A survey, supported by industry interviews, was used to gather data from the industry on the current and future sustainable finance talent and skills requirements.

Key Findings: The study emphasised that there is “a pressing need to upskill employees, and a preference for practical, on-the-job training”. This report identified that competing priorities and limited awareness of training opportunities within the industry are the primary blockers for upskilling existing workforces within companies, opposed to a lack of availability of talent. The report also identified growing demand for specific ESG skills including the growing importance of integration of biodiversity and a trend towards customised ESG practices.

Recommendations: Eight recommendations were put forward, outlined below:

2023 Recommendations

No	Recommendations	Details	Impact	Effort	Time
1	Develop industry led peer to peer learning programmes	Establish a suite of programmes across a broad range of topics, that are led by industry practitioners and focussed on the practical elements and real-world applications of sustainable finance.	High	Complex	1-2 years
2	Leverage best in class learnings	Regular consultations with the industry – nationally and internationally are essential for keeping skills training up to date with the rapidly evolving landscape of sustainable finance.	Medium	Average	1-3 years
3	Promotion of On-the-Job Learning	Encourage employees via testimonials, case studies to apply their newly acquired knowledge to real-world situations, thus reinforcing their skills and expertise in sustainable finance.	High	Low	1 year
4	Micro-Credential Programs	Create more programs that offer quick, focused training on specific areas of sustainable finance and should be readily accessible to professionals seeking to enhance their skills, specifically around ESG reporting, ESG risk assessment and impact investing	High	Low	1-2 years
5	Emphasis on Biodiversity with new courses and trainings	Given the significant skills and knowledge gaps identified in biodiversity, organisations and institutions should prioritise developing and offering specialised training on this crucial aspect of sustainable finance.	High	Average	1-3 years
6	Launch a 'self-assessment tool'	Build up a tool that can assist financial service providers in evaluating their own needs and current skill gaps, considering the constantly changing landscape.	Medium	Average	1-2 years
7	Improvement of marketing & communications channels	To re-assess the website and all communication channels with the intent of improving the website, social media messaging and overall communication with the target audience. This will help in keeping the potential learners informed about the upcoming courses, existing courses and the kind of benefits/ career progression from the courses.	Medium	Low	1 year
8	Increase board awareness on relevant topics	An intensive program that includes workshops, seminars can be initiated by ISFCOE. This will ensure that there is awareness on the topic of ESG and sustainability skills and talent development are to the fore on the board agenda.	Medium	Low	1-2 years

Other Resources:

Country	
EU	Sustainable Finance Action Plan - Sustainable finance (europa.eu)
UK	Climate change and sustainable finance FCA
Singapore	<ul style="list-style-type: none">- Climate reporting now mandatory on a comply/explain basis - Sustainability Reporting - Singapore Exchange (SGX)- Sustainable Finance - Singapore Exchange (SGX)

Appendix 2 – Existing Courses

Ireland

Course/Programme	Detail	Provider	Qualification	Commitment	URL
BSc Sustainability	2 tracks: policy or science	UCD CSDS	BSc	4 years	http://csds.ucd.ie/education/
MSc Sustainable Development (taught)	In partnership with UN SDSN	UCD CSDS	MSc	1-2 years (FT/PT)	http://csds.ucd.ie/education/
MSc Environmental Sustainability (taught)	8 schools contribute capturing the strengths of UCD Science and Engineering	UCD	MSc/Dip/Cert	2-4 years (FT/PT)	http://csds.ucd.ie/education/
PhD Global Human Development	Aimed at government, public servants	UCD CSDS	PhD	3-4 years	http://csds.ucd.ie/education/
MSc in Business Sustainability (taught)	Food industry specific with Bord Bia partnership	UCD Smurfit	MSc	18 months	https://www.smurfitschool.ie/executive-development/programmes-for-individuals/msc-business-sustainability/
Achieving Sustainable Development - Course	Impact of UN SDGs on real people. Via Future Learn.	TCD	Certificate of Completion	16 hours	https://www.futurelearn.com/courses/achieving-sustainable-development
MSc in Renewable Energy and Environmental Finance	Finance theory, sustainability factors, low carbon problem solving	UCD Smurfit	MSc	1-2 years (FT/PT)	https://www.smurfitschool.ie/programmes/masters/msc-in-renewable-energy-and-environmental-finance/
Responsible Investment Advisor Course	For advisors, business owners looking to incorporate sustainability & ESG	ESG Ireland	None	6 Hours	https://www.responsibleinvestmentinstitute.com/courses/responsible-investment-advisor-ria-course
Responsible Investment Courses	Range of short courses covering SFDR, responsible investing	ISFCOE		1 hour - 2 days	
Insurance Institute Climate Risk Certificate	technical skills - supporting customers, clients, colleagues, and communities with the transition to a sustainable, low-carbon world.	ISFCOE	Certification in Risk	13 weeks	https://info.iii.ie/certificate-in-climate-risk-programme
IOB Professional Certificate in Responsible and Sustainable Finance	non-financial disclosures, climate and sustainability reporting including climate related risks, opportunities and financial impacts	ISFCOE	Certificate	4 months	https://iob.ie/programme/sustainable-finance
IOB Sustainable Finance Compliance Course	Sustainable finance course targeted at 2nd line of defence - Current/prospective compliance professionals	ISFCOE	Diploma	1 year	https://iob.ie/programme/sustainable-compliance-professionals
Sustainability & ESG Reporting	reporting standards, principles & protocols, benchmarks & certifications, ESG ratings & indices	Susthub	Multiple	1 day - 6 weeks	https://susthub.ie/sustainability-esg-reporting/

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Certificate in Sustainability Strategy, Risk and Reporting	Programme helps accountants understand key reporting frameworks, tools, and metrics, and equip participants to address the sustainability opportunities and challenges they already face.	Chartered Accountants Ireland		8 weeks	https://www.charteredaccountants.ie/professional-development/specialist-qualifications/certificate-in-sustainability-strategy-risk-and-reporting
Sustainable Development for Business	Programme is designed for mid-level executives and above from the private sector, public sector and third sector, who are looking to examine their organisation's impact on society as well as the environment.	TCD	Postgrad Cert	1 year	https://www.tcd.ie/business/executive-education/sustainable-development-for-business.php
Creating Value with ESG	Particular target for this micro-credential is sustainability and CSR managers, community affairs directors, corporate affairs directors as well as managers in diverse functions – including legal and compliance, procurement, human resources, and external affairs.	TCD	ECTS	6 weeks	https://www.tcd.ie/business/executive-education/creating-value-esg.php
Sustainability Reporting and Disclosure Course	Introduced in 2022	Sustainable Finance Skillnet		2 days	Sustainable Finance Disclosure Regulation (SFDR) training - Sustainable Finance Skillnet
Sustainable Financial Technology	Technological innovation, the global climate and sustainable development goals (SDGs)	ISFCOE	Certificate of Completion	8 weeks (4-5 hrs pw)	https://onlinecourses.smithschool.ox.ac.uk/courses/sustainable-finance/
Sustainability & ESG Reporting	reporting standards, principles & protocols, benchmarks & certifications, ESG ratings & indices	Susthub		1-5 Days	
Postgraduate Diploma in Sustainable Financial Technology & Innovation	Introduced in 2023 - Available in Maynooth - Employees in the private sector are eligible for up to 70% Skillnet funding	Sustainable Finance Skillnet	Diploma	1 year	Postgraduate Diploma in Sustainable Financial Technology & Innovation - Sustainable Finance Skillnet
Professional Diploma in Sustainable Finance for Compliance Professionals	Introduced in 2022	Sustainable Finance Skillnet	Diploma	1 year	Professional Diploma in Sustainable Finance for Compliance Professionals - Sustainable Finance Skillnet

International

Course/Programme	Detail	Provider	Provider Location	Qualification	Commitment	URL
Sustainability Leadership and Corporate Responsibility - Course	For mid-senior level managers implementing sustainable business practices	LBS	UK	Certificate	6 weeks, 5 hours/week	https://www.london.edu/executive-education/leadership/sustainability-leadership-and-corporate-responsibility
Chief Sustainability Officer Professional - Certificate	Plus other management level courses. Global ILM Cert. recognition.	SK Group	US	Certificate of Completion	16 hours	https://sustainabilityknowledgegroup.com/
Global Energy and Climate Policy - Course	Low carbon energy system policy design (beginner intro) via Coursera	Uni of London	UK	Certificate of Completion	13 hours	https://www.coursera.org/learn/globalenergyandclimatepolicy?action=enroll#about
Global Energy and Climate Policy - Masters	Low carbon energy system policy design	Uni of London	UK	MSc	2 years	https://london.ac.uk/courses/global-energy-and-climate-policy-0
Climate Change Policy: Economics and Politics - Course	Mitigating public policy. Aimed at senior government and industry leaders.	Harvard Uni	US	Exec Certificate	5 days, 6 hours/day	https://www.hks.harvard.edu/educational-programs/executive-education/climate-change-policy-economics-and-politics
Introduction to Sustainable Finance and Investments	Introduction of financial and investment principles and moving through financial analysis, financing, and valuation.	Harvard Uni	US	Certificate	Multiple	Introduction to Sustainable Finance and Investments Harvard University
Introduction to the Natural Capital Project Approach	introduces the Natural Capital Project's (NatCap's) approach to using ecosystem service information to inform decisions.	Stanford Uni	US	Certificate	4 weeks	Introduction to the Natural Capital Project Approach edX
MSc in Environmental Change and Management	Produce environmental leaders who are interdisciplinary and analytical	Oxford Uni	UK	MSc	1 year	https://www.ox.ac.uk/admissions/graduate/courses/m-sc-environmental-change-and-management
PRI Academy - Responsible Investment - Courses	4 short courses (incl. one for Treasury)	UN PRI	UK	Certificate of Completion	<10 hours /course	https://priacademy.org/
Candriam Academy - SRI Courses	10 module course on SRI (8) and climate change	Candriam	US	Certificate of Completion	5 hours	https://academy.candriam.com/us/certified-training/
ESG Integration for Equity Investing - Report	Online short guide with case studies	UN PRI	UK	None	est. 1 hour	https://www.unpri.org/listed-equity/combining-analysis-from-dedicated-esg-and-fundamental-teams/727_article
CFA Certificate in ESG Investing	Level 4 certificate recognised by UNPRI	CFA	UK/US	Certificate	130 hours	https://www.cfainstitute.org/en/programs/esg-investing

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SDG Academy - Courses	Multiple short courses. Trinity and UCD both on Academic Advisory Committee	UN SDSN	US/France	Certificate of Completion	av. 9 weeks	https://www.unsdsn.org/sdg-academy
ADBI Institute - Courses	Broad list of topics over 15 introductory courses (more to follow)	ADBI	Japan	Certificate of Completion	30-60 mins /course	https://elearning-adbi.org/
Certified Sustainability (ESG) Practitioner	For Corp. Sustainability Managers. In partnership w/ Western Washington Uni.	CSE	US	Certificate of Completion	3 days + assignment	https://cse-net.org/
Sustainability Leadership - Graduate Certificate	Cambridge Institute for Sustainability Leadership. For mid-career professionals.	Cambridge	UK	Certificate	10 months (PT)	https://www.cisl.cam.ac.uk/education/graduate-study/key-features
Sustainable Business - Graduate Diploma	Cambridge Institute for Sustainability Leadership. For mid-career professionals.	Cambridge	UK	Diploma	2 years (PT)	https://www.cisl.cam.ac.uk/education/graduate-study/key-features
MS in Sustainable Leadership	Cambridge Institute for Sustainability Leadership. For mid-career professionals.	Cambridge	UK	MS	2 years (PT)	https://www.cisl.cam.ac.uk/education/graduate-study/key-features
Sustainability & Leadership - Short Courses	Cambridge Institute for Sustainability Leadership. For mid-career professionals.	Cambridge	UK	Certificate of Completion	5 hours	https://www.cisl.cam.ac.uk/education/learn-online
UN Global Compact Academy - Short Courses	SDG focused	UNGC	US	None	est. 1 hour /course	https://academy.unglobalcompact.org/learn
Setting Science Based Targets to Achieve Net-Zero - Course	Short course for general knowledge	UNGC	US	None	30 mins	https://info.unglobalcompact.org/sciencebasedtargetsinitiative
Education for Sustainability - Courses	Courses cover ESG, SASB, active ownership, impact investing	ed4s	Canada	Certificate of Completion	3 hours /course	https://www.education4sustainability.co/
Sustainable Finance & ESG Investment - Course	Executive course from Kim Schumacher	UNU IASS	Japan	Certificate	3 evenings over 4 weeks	https://ias.unu.edu/en/admissions/certificate/sustainable-finance-esg-investment.html
GARP Sustainability and Climate Risk Certificate	For professionals in finance, supply chain mgmt., operations and technology.	GARP	US	Certificate	130 hours	https://www.garp.org/scr
IFOA/SAI Climate Risk and Sustainability Course	For qualified Actuaries to students, 2 compulsory half day seminars	ISFCOE	UK	Certificate of Attendance	80 hours study	https://actuaries.org.uk/climate-risk-sustainability-course/
CISI Green Finance Certificate	For Bankers, insurers, IM's, regulators, risk managers	ISFCOE	UK	Certificate	130 hours	https://www.cisi.org/cisiweb2/cisi-website/study-with-us/certificate-in-green-finance
GARP SCR Certificate	Focused on Climate risk management - 8 self-study modules	ISFCOE	US	Certificate of Completion	self-study, 130 hours of study time	https://www.garp.org/scr

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PRI Academy Courses	Various courses	ISFCOE	UK	Variety	self-study	https://priacademy.org/pages/about
Net Zero for Investment Managers	Course delivered by David Carlin, Head of TCFD and Climate Risk at UNEPFI. Max attendees ca 40.	ISFCOE	UK	-	2 half day workshops	-
Irish Funds Industry ESG Training Programme	Max attendees ca. 40.	ISFCOE	UK	-	4 half day workshops	-
SFDR Deep Dive	Max attendees ca 40.	ISFCOE	UK	-	2 half day workshops	-
EU Taxonomy Deep Dive	Max attendees ca 40.	ISFCOE	UK	-	8-10 hours of content	-
TCFD Practitioner Course	Course delivered by David Carlin, Head of TCFD and Climate Risk at UNEPFI. Max attendees ca 40.	ISFCOE	UK	-	8 hrs of training, 4x 4hr workshops	-
Carbon, GHGs, Foot Printing, Accounting and Management	The course includes key learning around the key drivers of climate change, measurement, methodologies, application and performance management.	IEMA	UK	Certificate	-	https://www.iema.net/courses-information/carbon-ghgs-foot-printing-accounting-and-management
Pathways to Net Zero	The IEMA Pathways to Net Zero course gives clear, consistent guidance on best practice on response to the climate crisis, the course aims to provide supervisors and leaders with a strategic and operational overview of environmental sustainability as it affects their specific industry and work area.	IEMA	UK	Certificate	2 days	https://www.iema.net/courses-information/pathways-to-net-zero
Certificate in Sustainability for Finance (CertSF)	Course for finance and accounting professionals to adapt to sustainable practices. Topics covered sustainability analytics and ESG reporting	ACCA	UK	None	16 hours	https://www.accaglobal.com/gb/en/qualifications/glance/certificate-in-sustainability-finance-certsf/overview.html
ESG in Alternative Investments	Courses range from getting started in Responsible Investing, Foundations in Responsible Investing and Advanced Responsible Investing. Insurance Ireland have offered grants for the course	UN PRI	UK	Certificate of Completion	4 hours	https://priacademy.org/products/esg-in-alternative-investments-1
ESG in Insurance	An introduction to sustainability in the insurance industry. This course is for financial regulators, underwriters, consultants, and P&C insurance professionals.	Education for sustainability	Europe	-	3 hours	-
ESG Sustainable Finance Instruments	Course focusses on nature of sustainable finance instruments, (e.g. green, social, and	Fitch Learning	UK	None	3 hours	https://www.fitchlearning.com/masterclass-esg-sustainable-finance-instruments-3-hrs

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	sustainable bonds), before assessing trends in this marketplace.					
Climate Risk Certificate	The aim of the course is to develop the learner's professional knowledge, understanding and skills relating to climate change, climate risk and sustainable finance, with a view to supporting customers, clients, colleagues, and communities with the transition to a sustainable, low-carbon world.	CISI	UK	Certificate	130 hours	https://www.cisi.org/cisiweb2/cisi-website/study-with-us/certificate-in-climate-risk
Certified Expert in Sustainable Finance	In this course, students learn about creating impact, managing sustainability risks, and benefiting from sustainable business opportunities. The course aims to enable financial professionals to integrate sustainable finance related aspects into their work through new knowledge and tools for advising their clients and business partners.	Frankfurt School of Finance and Management	Germany	Certificate	6 months (Self-paced)	https://execed.frankfurt-school.de/en/home/individuals/sustainability/expert-sustainable-finance
Fundamentals of Sustainable Finance	Course covers the most important concepts at the core of sustainable finance and provides an overview of key concepts used in the market including the latest EU legislation	LGX Academy	Luxembourg	None	3 days	https://www.luxse.com/discover-lqx/additional-lqx-services/lqx-academy/fundamentals-of-sustainable-finance
ESG, Impact and Sustainable Investing	Develop sound investing practices in ESG over a 3-day course	Euromoney Learning	UK	Certificate	3 days	ESG, Impact and Sustainable Investing Euromoney Learning
Professional Assessment, Sustainable and Responsible Investment	Overview of Sustainability and Responsible investment terminology, trends and financial jargon	CISI	UK	Certificate	8 Hours	Sustainable and Responsible Investment Professional Assessment (cisi.org)
EFFS Certified ESG Analyst® (CESGA) Certification	Comprehensive tool made by practitioners for practitioners and covers all relevant topics that an ESG expert needs, giving special emphasis to areas that other programmes in the market tackle superficially or completely overlook	EFFAS	Germany	Certification	6 months	EFFAS Certified ESG Analyst® online course & exam at EFFAS Academy website (effas-academy.com)
GRI Academy	Sustainability professionals can access the latest online curriculum on reporting with the GRI Standards.	GRI	Sweden	Certification	Multiple	GRI Academy (globalreporting.org)
UN PRI	Multiple courses across a variety of topics, based primarily around Responsible investing	UN PRI	Europe	Variety	Multiple	priacademy.org/pages/academy-syllabus

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Fundamentals of Sustainability Accounting	Designed for professionals who benefit from understanding the link between sustainability and financial performance	SASB	UK	FSA Credential	30 hours	FINANCIAL SERVICESA Overview - SASB
Certified Sustainable Finance Analyst (Standard) (CSFA)	provides participants with the experience, tools, and community of practice they will need to become an important part of the global business and investment transition	Sustainable Finance Institute (SFI) & World Sustainable Finance Association (WSFA)	US	CSFA	24 Hours	About CSFA (sfini.org)
TCFD Knowledge Hub	Multiple short and long form Climate & TCFD related online courses	TCFD	Global	-	Multiple	TCFD Knowledge Hub Online Learning (tcfdhub.org)
Introduction to Sustainable Finance	Basics of sustainable finance while providing several opportunities to dive deeper	UN CC	Europe	Certification	-	Course: Introduction to Sustainable Finance (NEW) (unccelearn.org)

