

Suggested Job Description of the ESMS Officer for Financial Institutions (FI)

The ESMS (Environmental and Social Management System) Officer is expected to be someone from the FI's senior management, preferably from within the risk management line, and should have sufficient authority and organizational influence to ensure the ESMS is properly implemented organization-wide. He or she should have reasonable background in both environment and finance and be able to perform the following tasks:

- Oversee the FI's E&S risk management and implementation of ESMS
- Manage resources (budget and staff) for E&S risk management and training
- Ensure the coordination and integration of E&S risk management procedures with the FI's internal credit process
- Report any major E&S issues to senior management and secure the support for and approval of E&S risk management issues by senior management
- Review and approve the FI's annual E&S performance report to stakeholders, including IFC

Depending on the FI's organizational structure and business scope, the ESMS officer may be supported by one or more ESMS coordinators to review or coordinate the day-to-day E&S tasks performed by other staff (i.e., credit officers, environmental and social specialists, and consultants), according to the staff roles specified in the ESMS, including:

- Evaluate environmental compliance of a target client company with applicable requirements during due diligence, such as site visits, collection of necessary E&S documentation (e.g., certificates and authorizations), and preparation of E&S due diligence reports (or an E&S section of the credit application)
- Ensure that all investment decisions are supported by appropriate due diligence documentation, including, but not limited to, an E&S section in each final Investment Memorandum
- Ensure that appropriate environmental representations, warranties, and covenants are incorporated in each loan or investment agreement
- Supervise portfolio projects' on-going compliance with the applicable requirements on a regular basis, which may include:
 - Conducting site visits, monitoring the implementation of E&S action plan (if any) by the clients, reviewing clients' annual reports, and recording clients' E&S ongoing performance
 - Resolving E&S issues in case of non-compliance, and where needed, preparing a time-bound corrective action plan with specific follow-up procedures
- Prepare the FI's annual environmental performance report, based on the annual performance reports provided by its client companies
- Ensure that these procedures are implemented for each project, and that records of environmental reviews (i.e., appraisal and monitoring) are maintained