Learning Outcome Statements

EFFAS Certified Climate Risk Analyst®

EFFAS | The European Federation of Financial Analysts Societies

in collaboration with

MarshMcLennan

Learning Outcome Statements

The European legislation gives a clear structure and recommendation on how a qualification is set up.

Qualification means a **formal outcome** of an assessment and **validation process** which is obtained when a competent authority determines that an individual has **achieved learning outcomes to given standards.** Qualifications typically take the form of documents such as certificates or diplomas.

Learning outcomes means statements regarding what a learner **knows, understands and is able to do on completion of a learning process**, which are defined in terms of knowledge, skills and responsibility and autonomy. Those learning outcomes may be achieved through a variety of paths in formal, non-formal or informal settings, whether in national or international contexts. Information on learning outcomes should be **easily accessible and transparent.**

Knowledge means the outcome of the assimilation of information through learning. Knowledge is the body of facts, principles, theories and practices that are related to a field of work or study. In the context of the EQF, knowledge is described as theoretical and/or factual.

Skills mean the ability to apply knowledge and use know-how to complete tasks and solve problems. In the context of the EQF, skills are described as cognitive (involving the use of logical, intuitive and creative thinking) or practical (involving manual dexterity and the use of methods, materials, tools and instruments).

Competence means the proven ability to use knowledge, skills and personal, social and/or methodological abilities, in work or study situations and in professional and personal development.

Taking this into account the EFFAS Climate Risk expert team defined the Learning Outcome Statements (LOS) of the Certified Climate Risk Analyst® Programme, specifying the **knowledge, skill and competence** the learner will acquire while completing each of the 9 modules.

Module 1. Climate change science

Knowledge

- Achieve a holistic view of the physical scientific basis of the greenhouse effect, the carbon cycle, interactions with nature and their impacts.
- Acquire a well-rounded perspective on mitigation and adaptation challenges, and technological and societal solutions.
- Explore how climate change compares to other global risks and how it affects them.

Skills

- Confidently explain the causes and effects of global warming.
- Use the lexicon associated with climate change science with fluency.
- Showcase the ability to discern misinformation concerning climate change

Competence

- Ability to have direct meaningful discussions on the short- and long-term consequences of climate change.
- Demonstrate the expertise to interpret historical and future climate trends.
- Showcase the ability to understand news describing how weather and climate are evolving.

Module 2. Policies, regulations and sector-specific initiatives in response to climate change

Knowledge

- Become familiar with key regulations influencing the global economy and productive sectors.
- Attain a holistic view of prevailing European and international policies and regulatory trends, anticipating their implications on the future market landscape.
- Engage with and comprehend the predominant international climate guiding principles, standards and reporting frameworks that influence businesses and industry.

Skills

- Master a comprehensive understanding of the regulatory environment, discern its importance and ramifications for both investors and corporate entities.
- Confidently express the ways in which international trends and transformations shape the market.
- Conduct incisive analyses of the interaction of climate risk regulations affecting different regions.
- Deftly navigate through the intricacies of key international ESG guiding principles, standards and reporting standards, including ISSB, TCFD, CSRD and TNFD.

Competence

- Ability to understand the tangible effects of recent climate regulatory amendments on the broader market spectrum, and predictively respond to the market's regulatory trajectory.
- Ability to conduct a proficient gap analysis on new regulations, ensuring a firm understanding on areas of opportunity or concern within the regulatory framework.
- Gain the expertise to assess the integrity and robustness of climate strategy information, set against a backdrop of an increasingly sophisticated corporate reporting landscape.
- Keep up to date on the evolution of the current climate reporting outlook in the coming years.

Module 3. Climate risk identification and modelling

Knowledge

- Understand the current climate change scenarios from IPCC, NGFS, IEA and other common sources.
- Identify the drivers of climate value and challenges influenced by global megatrends for key sectors.
- Dissect challenges inherent in measuring climate risks, and the availability and quality of data.
- Confidently articulate the ways in which to associate physical risks with weather indicators and return periods and find the most appropriate source to find their evolution.

Skills

- Justify how climate hazards present opportunities or risks for a specific business model, from primary hazards such as extreme rainfall to unexpected consequences on climate change
- Conduct a comprehensive assessment of the regulatory, market, technological, product and services risks from the transition to a decarbonised economy.
- Assess scenario indicators that serve to discern the potential evolution of a transitional risk. Acquire a well-rounded perspective of the climate data provider landscape and the different approaches used.

Competence

- Showcase the story behind each climate scenario and how its impact and probability indicators relate to the asset to be analysed.
- Engage in constructive dialogues with companies concerning the materiality of global hazards and trends related to their activities.
- Formulate arguments on how climate factors translate into financial risks and also transmit into different risk factors.

Module 4. Climate risk financial impact quantification

Knowledge

- Dive into a comprehensive exploration of the parameters behind property damage, business interruption, carbon pricing and others.
- Explore approaches to defining, developing, organising and integrating climate risk resilience.
- Compare and contrast the use of materiality thresholds to disclose climate risk information.

Skills

- Navigate the lexicon of disaster risk management and build confidence to select and use vulnerability functions to transform weather variables into physical impact.
- Master an understanding of the GHG accounting methodology in the context of carbon pricing scenarios.
- Diagnose the complexities of impact quantification through the definition of the assumptions and uncertainties.

Competence

- Lead climate risk through the use of hazard, exposure, vulnerability and resilience concepts.
- Engage in discussion with companies on the current resilience level of different line items in their financial statements.
- Implement a robust disclosure based on commonly used indicators.

Module 5. Climate opportunities

Knowledge

- Gain an in-depth understanding of potential areas of positive impact and innovation to address climate challenges, such as resource efficiency, new energy sources, products and services, market and resilience.
- Acquire valuable knowledge on the financial benefits of embracing climate opportunities, enabling informed decision-making and contributing to a sustainable future.

Skills

- Develop the insight to identify and assess climate change opportunities, as well as the knowledge to implement green technologies and practices.
- Conduct a comprehensive assessment of the strategies in place of actors in key sectors, including some specific example with quantified opportunities.

Competence

- Develop a strong foundation in the competencies needed to navigate and capitalise on climate change opportunities, including strategic thinking, adaptability, and a holistic understanding of potential stakeholder reactions.
- Implement a sound assessment of opportunities based on global trends and common indicators.

Module 6. Net Zero and adaptation plans

Knowledge

- Become familiar with how a company plans to achieve its climate targets, including how its assets, operations, and business models will be transformed to align with a low-carbon economy.
- Gain an in-depth understanding of adaptation responses, from the commonly applied to the most innovative.
- Understand the current landscape of challenges facing the insurance industry and the state of the art of the solutions offered by this industry.

Skills

- Discern the level of comprehensiveness of a net zero or a physical resilience strategy.
- Develop the ability to challenge climate transition plans and test how realistic they are.
- Identify a range of mitigation and adaptation actions that go beyond business as usual for a sector.

Competence

- Improve a company's analysis through exposure to climate change, pinpointing potential discrepancies between climate challenge and a company's strategy or business model.
- Examine climate strategies to achieve net zero emissions by 2050.
- Lead discussions on the resilience of a business strategy.

Module 7. Economic effects of climate-related risks

Knowledge

- Understand the emergence of climate risk as a priority for central banks and financial regulators.
- Gain insights into how financial stability and its main metrics are affected by climate change.

Skills

- Describe the impact of climate and environmental factors on credit, operational, market, underwriting, reputational risks and other financial risks.
- Conduct an analysis of the financial supervisory findings in order to integrate them into a financial institution risk strategy.

Competence

- Lead discussions on the motivations of the actors in the financial markets to act in the context of emerging climate risks and opportunities.
- Embed climate stress tests into day-to-day risk management and inform target-setting processes and risk appetite.

Module 8. Sustainable finance

Knowledge

- Understand the basics and applications of green and sustainable financial products and instruments, sustainable investments and the opportunities and challenges in carbon markets.
- Differentiate between use of proceeds and performance-based instruments.

Skills

- Explain the basic concepts of sustainable finance and the relevance of climate considerations for the key actors in the financial system.
- Describe the role that regulation and industry initiatives (self-regulation) play in shaping sustainable and climate finance.
- Identify other available financial instruments as carbon markets.

Competence

- Discuss whether a particular bond meets the requirements of the Green Bonds Principles or the Sustainability-Linked Bond Principles.
- Strategically pinpoint and deploy climate financing mechanisms for adaptation or mitigation efforts at projects or companies.

Module 9. Climate risk and asset classes

Knowledge

- Analyse the effects of climate risks across different assets classes.
- Navigate the concepts of portfolio decarbonisation and net zero portfolio alignment.
- Recognise the potential effects of climate risks on valuations.

Skills

- Integrate climate risk financial valuation for equities, debt and other asset classes.
- Assess an asset and clarify the sequential steps required to integrate climate guidelines into portfolio management and investment choices.

Competence

- Showcase a practical mastery in seamlessly integrating climate risk principles into everyday investment operations.
- Enhance an asset's analysis through extra financial issues, pinpointing potential discrepancies between climate challenges and a company's strategy or business model.