

#GreenFin

Financing the Green Transition

DELIVERABLE D2.5

A directory of the new professional profiles in the finance sector with the description of their distinctive competencies (Green finance skills).



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DELIVERABLE D2.5 A DIRECTORY OF THE NEW PROFESSIONAL PROFILES IN THE FINANCE SECTOR WITH THE DESCRIPTION OF THEIR DISTINCTIVE COMPETENCIES (GREEN FINANCE SKILLS).

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1 Structure of the Job Directory and Methodology

1.1 Introduction

This deliverable originates from the survey and analysis on the strategic professional profiles for the financial sector and their skills carried out through an online questionnaire, the results of which were included in the "Report on the survey and interviews' findings"¹. Considering the complexity of the information contained in the Report, for which a multi-method approach was adopted, it seemed appropriate to produce a concise and user-friendly document to illustrate the five emerging jobs for the financial sector and which were chosen most frequently from respondents to the online survey². The directory of jobs also takes into account the views of survey respondents with respect to emerging and strategic skills for the financial sector³.

1.2 Methodology

The directory of occupations described below and the "green financial skills" is organised in such a way as to ensure compatibility with the standards established by the ESCO (*European Skills, Competences, Qualifications and Occupations*)⁴ classification system. Moreover, consistent with the methodology developed for the online questionnaire, the skills listed for each occupational profile refers to the recent updates in the ESCO classification of occupations in the "sustainability spectrum"⁵. It is worth mentioning that the "green" skills for the credit sector⁶ can only be addressed considering that, to date, no single definition of green jobs and skills is available. Therefore, in the survey, respondents were provided with a set of definitions - albeit without claiming to be exhaustive - to allow for more informed responses to the topics investigated.

Figure 1. Example of the instructions supplied to fill out the questionnaire through definitions⁷

Section #4 – A focus on “Green Credit Skills”

For the purposes of the present survey, please consider the following definitions:

- **Green Skills**: "Any skill - both technical and transversal - that enables the (technological, economic, productive, social, cultural) processes related to the green transition, either directly or indirectly. Green skills can either be an update on the professional background of already existing occupations or form part of entirely new knowledge sets, characterising new professional profiles." (Fondazione ADAPT)

- **Green Technical Skills**: "Skills that promote, from a technical and technological perspective, the green transition through the provision of scientific knowledge and abilities." (Fondazione ADAPT)

- **Green Transversal Skills**: "Competencies, knowledge, and skills that form a mindset and a set of attitudes oriented toward promoting green transition." (Fondazione ADAPT)

- **Green Jobs**: "Green jobs are decent jobs that contribute to preserving or restoring the environment, be they in traditional sectors such as manufacturing and construction, or in new, emerging green sectors such as renewable energy and energy efficiency. Green jobs help to improve efficiency in the use of energy and raw materials, limit GHG emissions, minimize waste and pollution, protect and restore ecosystems, and support adaptation to the effects of climate change" (ILO, 2019)

Source: GreenFin online questionnaire – English version

¹ The English version of the report can be accessed at the link: https://www.adapt.it/wp-content/uploads/2024/02/GreenFIN_D2.4_EN_Annexes-1.pdf. It was presented during the GreenFin Workshop that took place in Dublin on 20 February 2024.

² Ibid., p. 20 (Q22).

³ Ibid., p. 23 (Q25).

⁴ For this document, reference should be made to the English version of the job classification systems: <https://esco.ec.europa.eu/en>

⁵ See: <https://esco.ec.europa.eu/en/about-esco/publications/publication/green-skills-and-knowledge-concepts-labelling-esco>

⁶ In this document, the expressions "credit sector" and "financial sector" are used as synonyms. For an overview of the target industries for the GreenFIN project, described by NACE codes, see the Report cited above.

⁷ An overview of the definitions concerning green skills and professions is provided in: Fondazione ADAPT, *Green Skills in VET, Final Report*, 2022.

2 Emerging professional profiles in the financial sector and green skills

The data analysed and collected from the questionnaire (specifically questions pertaining to Section #3) made it possible to understand the views of survey participants regarding the impact of the green transition, with special reference to the sectors examined in the project, on the labour market and the interactions between supply and demand of occupations and job profiles.

Without entering into details – a more specific analysis is provided in the Report from which this study is taken – a degree of consistency can be seen between the characteristics (in terms of job level and key competencies) of the profiles described below and the opinions expressed by respondents about the three, most-in-demand occupations until 2030, and the level of education of workers in the financial sector. These are middle to highly-skilled occupations (e.g. Office and Associate Professionals, ICT Technicians, Science and Engineering Technicians, and Managerial Professions⁸), working in an industry where the average level of education was already described as medium to high⁹.

For each of the emerging job profiles, it is possible to examine:

- The ESCO classification code and positioning within the ranking;
- A description and indication of where to find any regulatory aspects;
- Searchable skills and competencies¹⁰ divided into:
 - Essential skills and competencies
 - Essential knowledge
 - Optional skills and competencies

The order of the profiles follows the criterion of the number of preferences expressed by respondents according to descending logic.

The green colour is used to highlight aspects related to skills related to sustainability understood in a broad sense and linked to the concept of 'Just Transition'¹¹.

⁸ Ibidem, p. 18 (D18).

⁹ Ibidem, p. 19 (D19).

¹⁰ For the definition of occupations, skills, knowledge, competencies, please refer to ESCOpeda: <https://esco.ec.europa.eu/it/node/10>

¹¹ An analysis of the English notion of *Just Transition* e the Italian "giusta transizione" is provided in: Prosdocimi S., Manzella P. (2023), *Le parole della Sostenibilità/2: la Transizione Giusta*, in Bollettino ADAPT n. 33, <https://www.bollettinoadapt.it/le-parole-della-sostenibilita-2-la-transizione-giusta/>

2.1 Financial Risk Manager

ESCO Code: 2412.5

Professionals > Business and administration professionals > Finance professionals > Financial and investment advisers financial risk manager

Description: financial risk managers identify and assess potential risk areas threatening the assets or capital of organisations and give advice on how to deal with them. They specialise in either credit, market, operational or regulatory risk analysis. They use statistical analysis to evaluate risk, make recommendations to reduce and control financial risk and review documentation for legal compliance.

Regulatory Aspect: to see if and how this occupation is regulated in EU Member States, EEA countries or Switzerland please consult the Regulated Professions Database of the Commission. Regulated Professions Database: http://ec.europa.eu/growth/single-market/services/free-movement-professionals/qualifications-recognition_en

Essential Skills and Competencies

advise on financial matters	advise on risk management	advise on tax policy	analyse external factors of
companies	analyse financial risk	analyse internal factors of companies	analyse market financial
trends	apply credit risk policy	assess risk factors	collect financial data
create a financial plan	create	risk maps	create risk reports
enforce financial policies	estimate profitability	follow company	standards
integrate strategic foundation in daily performance	interpret financial statements	liaise with	managers
make strategic business decisions	manage financial risk	strive for company growth	

Essential Knowledge

assessment of risks and threats	economics	financial analysis	financial forecasting	financial
management	financial statements	risk identification	risk management	risk transfer
securities	tax	legislation		

Optional Skills and Competences

analyse economic trends	analyse financial performance of a company	apply credit stress testing	
methodologies	apply statistical analysis techniques	assess mortgage risk	assess risks of clients'
assets	calculate dividends	carry out statistical forecasts	control financial resources
create solutions to	problems	deliver visual presentation of data	develop predictive models
disseminate information on tax	legislation	maintain financial records	manage currency exchange risk mitigation techniques
negotiate			

sales contracts	perform data analysis	prepare credit reports	prepare financial statements	prevent
fraudulent activities	produce statistical financial records	provide support in financial calculation		

Optional Knowledge

accounting department processes	banking activities	financial department processes	financial
products	international financial reporting standards	risk financing techniques	

2.2 Investment fund manager

ESCO Code: 2412.7

Professionals > Business and administration professionals > Finance professionals > Financial and investment advisers > investment fund manager

Description: investment fund managers implement and monitor the investment strategy of a fund. They manage the fund's portfolio trading activities and supervise the financial, securities, and investment analysts in charge to perform research on the investments and then make buying and selling recommendations. They make decisions on when to buy or sell the assets included in a portfolio. Investment fund managers works in a variety of settings such as banks, investment vehicles and stockbroking companies, working closely with the investment analyst. This occupation manages strategy and does not always work with relations between shareholders or investors.

Regulatory Aspect: to see if and how this occupation is regulated in EU Member States, EEA countries or Switzerland please consult the Regulated Professions Database of the Commission. Regulated Professions Database: http://ec.europa.eu/growth/single-market/services/free-movement-professionals/qualifications-recognition_en

Essential Skills and Competencies

advise on financial matters	analyse financial performance of a company	analyse financial risk	analyse
market financial trends	control financial resources	create a financial plan	develop financial
products	develop investment portfolio	enforce financial policies	follow company standards
investment decisions	manage financial risk	monitor stock market	perform stock valuation
and safety procedures	review investment portfolios	strive for company growth	trade securities
			make
			plan health

Essential Knowledge

actuarial science	corporate social responsibility	financial analysis	financial management	financial
markets	financial products	financial statements	funding methods	investment analysis
portfolio theory	securities	stock market		modern

Optional Skills and Competences

analyse loans	communicate with banking professionals	consult information sources	examine credit ratings
interpret financial statements	liaise with board members	liaise with managers	liaise with shareholders
manage administrative systems	negotiate loan agreements	negotiate on asset value	obtain financial information
prepare credit reports			

Optional Knowledge

banking activities	business loans	business valuation techniques	credit control processes	debt classification
debt systems	financial forecasting	green bonds	impact investing	social bonds
sustainable finance				

2.3 Investment adviser

ESCO Code: 2412.6

Professionals > Business and administration professionals > Finance professionals > Financial and investment advisers > investment adviser

Description: investment advisers are professionals who offer transparent advice by recommending suitable solutions on financial matters to their clients. They advise on investing pension or free funds in securities such as stocks, bonds, mutual funds and exchange-traded funds to customers. Investment advisers serve individuals, households, families and owners of small companies. Excludes people working with large companies or institutions. Includes people working with individual clients and small companies.

Regulatory Aspect: to see if and how this occupation is regulated in EU Member States, EEA countries or Switzerland please consult the Regulated Professions Database of the Commission. Regulated Professions Database: http://ec.europa.eu/growth/single-market/services/free-movement-professionals/qualifications-recognition_en

Essential Skills and Competencies

advise on financial matters	advise on investment	analyse financial risk	analyse market financial trends
assess financial viability	assess risks of clients' assets	explain financial jargon	interpret financial statements
monitor bond market	monitor stock market	obtain financial information	provide financial product information
provide support in financial calculation	review investment portfolios	synthesise financial information	

Essential Knowledge

banking activities	financial markets	financial products	funding methods	modern portfolio
theory	securities	stock market		

Optional Skills and Competences

analyse business plans	analyse financial performance of a company	apply credit risk policy	build
business relationships	communicate with banking professionals	consult credit score	create a financial
plan	develop investment portfolio	ensure proper document management	examine credit
ratings	identify customer's needs	manage contracts	perform clerical duties
perform stock			
valuation	promote financial products	prospect new customers	

Optional Knowledge

business valuation techniques	credit control processes	green bonds	impact
investing	principles of insurance	social bonds	sustainable finance
			types of insurance

2.4 Corporate risk manager

ESCO Code: 2412.3

Professionals > Business and administration professionals > Finance professionals > Financial and investment advisers > corporate risk manager

Description: corporate risk managers identify and assess potential threats and opportunities to a company, and give advice on how to deal with them. They create preventive plans to avoid and reduce risks, and put plans in place for when the company is threatened. They coordinate risk management aspects across the different functions of an organisation and are responsible for technical activities such as risk assessment, risk mapping and insurance purchase. They report on risk issues to the senior management and the company's board.

Regulatory Aspect: to see if and how this occupation is regulated in EU Member States, EEA countries or Switzerland please consult the Regulated Professions Database of the Commission. Regulated Professions Database: http://ec.europa.eu/growth/single-market/services/free-movement-professionals/qualifications-recognition_en

Essential Skills and Competencies

address identified risks	advise on risk management	align efforts towards business development	analyse
external factors of companies	analyse internal factors of companies	apply crisis management	assess risk
factors	comply with legal regulations	define risk policies	estimate impact of risks
			follow company

standards	forecast organisational risks	implement corporate governance	liaise with managers	make
strategic business decisions		show an exemplary leading role in an organisation		

Essential Knowledge

corporate social responsibility	enterprise risk management	internal auditing	key risk	
indicators	qualitative risk analysis techniques	quantitative risk analysis techniques	risk financing	
techniques	risk identification	risk management	risk transfer	types of insurance

Optional Skills and Competences

analyse insurance needs	assess financial viability	assess reliability of data	assess supplier	
risks	compile appraisal reports	create risk reports	develop company strategies	identify if a company is
a going concern	keep updated on the political landscape	manage commercial risks	track key	
performance indicators				

Optional Knowledge

ICT network security risks	accounting department processes	financial products	insurance
law	international financial reporting standards	national generally accepted accounting	
principles	reinsurance	risk modelling	

2.5 Business valuer

ESCO Code: 2412.1

Professionals > Business and administration professionals > Finance professionals > Financial and investment advisers > business valuer

Description: business valuers provide valuation assessments of business entities, stock and other securities and intangible assets, in order to assist their clients in strategic decision-making procedures such as mergers and acquisitions, litigation cases, bankruptcy, taxation compliance and general restructuring of the companies.

Regulatory Aspect: to see if and how this occupation is regulated in EU Member States, EEA countries or Switzerland please consult the Regulated Professions Database of the Commission. Regulated Professions Database: http://ec.europa.eu/growth/single-market/services/free-movement-professionals/qualifications-recognition_en

Essential Skills and Competencies

analyse business plans	apply strategic thinking	interpret financial statements	perform asset
recognition	perform stock valuation	trade securities	value properties

Essential Knowledge

business valuation techniques	financial markets	financial statements	market pricing	mergers and
acquisitions	security of assets legislation	stock market	strategic planning	tax legislation
value-added tax law				

Optional Skills and Competences

advise on bankruptcy proceedings	advise on property value	advise on tax planning	assist with litigation
matters	compare property values	create a financial report	determine resale value of items
disseminate	information on tax legislation	estimate value of used goods	liaise with financiers
liaise with	managers	manage brand assets	negotiate on asset value
review investment portfolios	use consulting	techniques	

Optional Knowledge

business law	insolvency law	intellectual property law	investment analysis	pricing
strategies	property law	public offering		

3 Sustainable Finance and Relevant Skills

This section is devoted to the description of the top three strategic skills for green finance as they emerged from the results of the online questionnaire. Like the criterion adopted for professional profiles, the list of competencies has been organized in a descending order with reference to the first three options by number of preferences expressed in the survey.

3.1 Applying credit stress testing methodologies

Hierarchy: skills > information skills > analysing and evaluating information and data > analysing financial and economic data > *apply credit stress testing methodologies*

Description: use several approaches and credit stress test methodologies. Determine and analyse which reactions to different financial situations or sudden changes can have an impact on the whole economy.

Skill type: skill

Skill reusability level: cross-sector skills and competences

Broader concepts

analysing financial and economic data

Essential for

credit risk analyst

Optional for

financial risk manager

3.2 Analysing external factors of companies

Hierarchy: skills > information skills > analysing and evaluating information and data > analysing financial and economic data > *analysing external factors of companies*

Description: Perform research and analysis of the external factor pertaining to companies such as consumers, position in the market, competitors, and political situation.

Skill type: skill

Skill reusability level: cross-sector skills and competences

Broader concepts

analysing financial and economic data

Narrower skills

analyse financial performance of a company

identify potential markets for companies

Essential for

spokesperson	online community manager	chief marketing officer	corporate risk manager	public
relations manager	advertising manager	public relations officer	communication manager	promotion
manager	business consultant	category manager	financial risk manager	marketing manager
research analyst	sales manager	research and development manager	business analyst	marketing
consultant				

Optional for

financial manager	intercultural communication consultant	operations manager	programme
manager	public funding advisor	cultural facilities manager	

3.3 Sustainable finance¹²

Hierarchy: knowledge > business, administration and law > business and administration > finance, banking and insurance > *sustainable finance*

Description: the process of integrating environmental, social and governance (ESG¹³) considerations when making business or investment decisions, leading to increased longer-term investments into sustainable economic activities and projects. With reference to the carrying out of risk analysis, knowledge concerns the identification and evaluation of factors that may jeopardize the success of a project or threaten the operation of the organization and the implementation of procedures to avoid or minimize their impact.

Alternative Labels: responsible investment; sustainable investment

Skill type: knowledge

Skill reusability level: sector specific skills and competences

Broader concepts

finance, banking and insurance

Essential for

sustainability manager

corporate social responsibility manager

Optional for

financial analyst

investment fund manager

investment adviser

investment manager

investment

analyst

¹² For this skill (knowledge), it was deemed appropriate to supplement its description also with some key elements attributable to the competency "perform risk analysis," this in order to return a complete overview of its characteristics as ascribed to the wording "perform specific ESG risk analysis," i.e., the third in number of preferences expressed by respondents within the online questionnaire.

¹³ With reference to the training and skill needs of financial sector professionals and SMEs on ESG rating and sustainability criteria in credit disbursement, please refer to *the Report on the survey and interviews' findings* and, namely § 3.4 and 4.5.

4 Useful resources

ESCO, <https://esco.ec.europa.eu/en>

ESCO (2022), *Green Skills and Knowledge Concepts: Labelling the ESCO classification. Technical Report*,

FONDAZIONE ADAPT (2022), *Green Skills in VET. Final Report*: <https://sgieurope.org/files/FINAL-Green%20Skills-report.pdf>

PROSDOCIMI S., MANZELLA P. (2023), *Le parole della Sostenibilità/2: la Transizione Giusta*, in Bollettino ADAPT n. 33, <https://www.bollettinoadapt.it/le-parole-della-sostenibilita-2-la-transizione-giusta/>

ULOD, ADAPT (2024), *Report on the survey and interviews' findings (D2.4 EN - GreenFin Project No.101052465)*, https://www.adapt.it/wp-content/uploads/2024/02/GreenFIN_D2.4_EN_Annexes-1.pdf