WEBINAR

Evaluation and Support for Improving Inclusive Green Finance for MFIs - The Green Index

20 January 2021 at 9 am EST
Logistics

Attendee microphones will remain muted during the entire webinar session.

You may submit questions throughout the webinar using the chat box.

To ensure your question is seen, select “All Panelists and Attendees” from the drop-down menu.

The webinar recording will be emailed to all attendees and registrants.
Panelists

Gaya Manukyan
FinDev Gateway

Natalia Realpe Carrillo
HEDERA & IASS

Davide Forcella
YAPU Solutions & CERMi

Moderator
Natalia Realpe Carrillo
HEDERA & IASS
Green Inclusive and Climate Smart Finance Action Group (AG-GICSF)

- Launched in Feb. 2013 in Berlin, it is a unique multi-stakeholder think-tank for **environmentally responsible inclusive finance**, hosted by the European Microfinance Platform

**Achievements:**
- **Green Index**: standards for environmental performance assessment
- **Catalogue** green energy products
- 7 **Events**, 2 scientific committees,
- 10+ **trainings** & 40+ presentations
- **Publications** & e-learning

**Objectives:**
- Discuss challenges & strategies
- Enhance knowledge
- Foster action, cooperation & commitment
- Develop dedicated tools for green inclusive finance
- Publicize and disseminate findings

**Ongoing activities:**
- Dev. Green Index 3.0 - Env. Dim. Univ. standards with SPTF
- Dev. Online Library, projects map
- Recurrent publications “State of the sector” + newsletters
- Benchmark, monitoring, database advisory + IT tool
- Webinar series, on-going trainings
- Match supply & demand Green Finance
60+ members with different levels of engagement, representing 40+ institutions and organized into activity sub-groups

Members include:

ADA, Alterfin, Antwerp University, Babyloan, BNP Paribas, Envest Microfinance, ESAF, European Microfinance Network, Grameen Crédit Agricole MF Foundation, HEDERA, ILO, MicroEnergy International, Sparkassenstiftung, PAMIGA, SIDI, SOS Faim Belgium, Triple Jump, ULB-CERMi, UNEP, Université de Genève, University of Bergamo, Università degli Studi di Padova, RFR, ULB-CERMi, & YAPU Solutions
Evaluation and Support for Improving Green Inclusive Finance

GREEN INDEX
Background

Tool developed by the GICSF AG in 2014
FINANCIAL INCLUSION
GREEN FINANCE
GREEN FINANCE
INCLUSION

GREEN INDEX
“Green Inclusive Finance are financial services (and non-financial services as part of a financial offer) that support economic opportunities and needs of households, micro, small and medium-size enterprises (partially) excluded by the standard banking sector, in a clean, resilient and sustainable manner” (GICSF-AG, 2015)
1. The MFI defines, manages & monitors its ENVIRONMENTAL STRATEGIES.

2. The MFI manages its INTERNAL ENVIRONMENTAL RISKS.

3. The MFI manages its EXTERNAL ENVIRONMENTAL RISKS.

4. The MFI fosters GREEN OPPORTUNITIES.
Assessing Environmental Performance

2014

**Green Index 1.0:**
- The most accepted tool to assess MFIs’ environmental performance
- Publication available online on e-MFP AG webpage
- Green Index available in SPI4 tool (CERISE)
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**Green Index 2.0:**
- Keep track of sector evolution
- Incorporates lessons learnt from MFI’s use, ability, and willingness to track environmental management
- Qualitative components
- Integrated into new CERISE SPI4 (only qualitative)

ENV. STRATEGY

GREEN OPP.

INTERNAL ENV. RISK

EXT. ENV. RISK

http://www.e-mfp.eu/actions-groups/microfinance-environment
Experience & Traction

- **6+ years of environmental assessments** by the e-MFP GICSF AG + SPI4 + partners of the AG, among others: SIDI, Foundation Grameen Credit Agricole, CERISE, BNPP, HEDERA, YAPU Solutions, Enclude / Palladium, CERMi, MIX, ADA, MicroEnergy International, EMN, etc. ‘
  
  with **1000+ environmental assessments**

- 2 **“Green”** e-MFP Microfinance Awards (Environment (2014) & Climate Change Adaptation (2019))

  10+ years of **green inclusive finance projects** implementation and Key Projects:

  - EcoMicro (IDB since 2012, 30+ FSPs)
  - MEbA (since 2012, 40+ FSPs)
  - P CAMBio (2008-2013, 28 FSPs)
  - GPA (HIVOS, 2005)
  - C&ESG (IFAD, 2019)
  - FMO e-tool (2009)
  - MEPI (2012)
  - Energy & MF – CleanStart
  - Green Energy – ADA
  - …
Assessing Environmental Performance

Green Index 1.0:
- The most accepted tool to assess MFIs’ environmental performance
- Publication available online on e-MFP AG webpage
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2016

Green Index 2.0:
- Keep track of sector evolution,
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- Qualitative components
- Integrated into new CERISE SPI4 (only qualitative)

2021

Green Index 3.0 / DIM 7 of USSPM

Joint work between:
Green Index 3.0 / DIM 7 Env. USSPM

- Alignment to international initiatives
- Incorporation of lessons learnt from 1000+ assessments and 6 years of use
- In-depth interviews with MF Stakeholders (2020)
- Inclusion of climate vulnerability / resilience
- Surveys to MIVs and FSPs
- Making part of US for Environmental Performance, joint work with SPTF/CERISE

Update of Green Index 2.0
Green Index 3.0. / 7th Dimension of USSPM
1. Please rank:

- Manages & Monitors
- Defines
- Reports

**INDICATORS**
(7.0) Environmental Strategy & Leadership

1. Please rank:
   - Manages & Monitors
   - Defines
   - Reports

INDICATORS

2. Assessing the env. strategy:
   - Is it relevant?
   - Is it easy?
   - Is it useful?
   - Have you used it?
7. b Risks & Impact
Assessment & Management
Indirect and Direct

The MFI manages its
INTERNAL ENVIRONMENTAL RISKS

1. Please rank:

- Monitors ecological footprint
- Implements actions

INDICATORS
7.b Risks & Impact Assessment & Management
Indirect and Direct

1. Please rank:
   - Monitors ecological footprint
   - Implements actions

INDICATORS

2. Assessing internal env. risks:
   - Is it relevant?
   - Is it easy?
   - Is it useful?
   - Have you used it?
7.b Risks & Impact
Assessment & Management
Indirect and Direct

1. Please rank:

- Evaluates level of risk
- Includes risk as factor in loan approval
- Raises awareness of clients

INDICATORS

The MFI manages its
EXTERNAL
ENVIRONMENTAL
RISKS
7.b Risks & Impact
Assessment & Management
Indirect and Direct

1. Please rank:
   - Is it relevant?
   - Have you used it?
   - Is it easy?
   - Is it useful?

INDICATORS
- Evaluates level of risk
- Includes risk as factor in loan approval
- Raises awareness of clients

2. Assessing external env. risks:
   - Is it relevant?
   - Is it easy?
   - Is it useful?
   - Have you used it?
1. Please rank:

- Offers products
- Offers trainings
- Offers microinsurances
1. Please rank:
   - Offers products
   - Offers trainings
   - Offers microinsurances

2. Assessing green opportunities:
   - Is it relevant?
   - Is it easy?
   - Is it useful?
   - Have you used it?
1. Please rank:

- Ecosystem degradation
- Energy poverty
- Climate change
- Pollution
Risks & Vulnerabilities
Assessment & Management - Indirect and Direct

1. Please rank:
   - Ecosystem degradation
   - Energy poverty
   - Climate change
   - Pollution

2. Assessing vulnerabilities:
   - Is it relevant?
   - Is it easy?
   - Is it useful?
   - Have you used it?
Quantitative Indicators

- Number of green loans disbursed
- Volume of green loans disbursed in total portfolio
- Percentage of green loans disbursed in the fiscal year
- Number of borrowers with a climate-related microinsurance contract

2. Assessing quantitative indicators:
   - Is it relevant?
   - Is it easy?
   - Is it useful?
   - Have you used it?
You have contributed to...

(7.0) Environmental Strategy & Leadership

7.a. Risks & Vulnerabilities
Assessment & Management
Indirect and Direct

7.b Risks & Impact
Assessment & Management
Indirect and Direct

7.c Products & Services
Financial & non-financial
… the current reflection on
GREEN INDEX 3.0 / DIM 7 of USSPM

(7.0) Environmental Strategy & Leadership

7.a. Risks & Vulnerabilities
Assessment & Management
Indirect and Direct

7.b Risks & Impact
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7.c Products & Services
Financial & non-financial
... the current reflection on
GREEN INDEX 3.0 / DIM 7 of USSPM
Covering Key Elements: Standard-Essential Practices

(7.0) Environmental Strategy & Leadership
7.a. Risks & Vulnerabilities
    Assessment & Management
    Indirect and Direct
7.b Risks & Impact
    Assessment & Management
    Indirect and Direct
7.c Products & Services
    Financial & non-financial

This is a work in progress done by e-MFP GICSF-AG and SPTF/CERISE.
The standards, core practices and final indicators will be released upon completion.

contact@e-mfp.eu
www.e-mfp.eu
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Next Steps

Dedicated Training
Capacity Building Needs
Assistance
e-MFP Action Group Membership
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Q & A

Moderator

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HEDERA

Davide Forcella
YAPU Solutions & CERMi
WHAT’S NEXT

1. Please take a minute to let us know what you thought about today’s webinar by completing the survey available on the screen now.

2. We will email you when the webinar recording and related materials become available on the FinDev Gateway website.

3. For more resources on financial inclusion, visit [www.FinDevGateway.org](http://www.FinDevGateway.org) and [www.cgap.org](http://www.cgap.org)