

Launching GICSF-AG working group 'Green Heroes':

FDL & Partner Microcredit Foundation's
experience in Green Inclusive Finance:



Speakers: Selma Jahich
Partner Microcredit Foundation
Peter Marchetti,
FDL and Nitlapan

Moderator: Davide Forcella

JuST Institute
Climate, Biodiversity & Inclusive Finance



Part of the Green Inclusive and Climate Smart Finance Action Group (GICSF-AG) webinar series

The GICSF Action Group

The Green Inclusive and Climate Smart Finance Action Group (GICSF-AG) is a **unique** multi-stakeholder think-tank for **environmentally responsible inclusive finance**

OBJECTIVES

- Discuss **current challenges and strategies** in green inclusive finance
- **Improve knowledge and actions** of inclusive finance actors on environmental issues
- **Enhance cooperation** among green inclusive finance actors
- **Increase international attention** on green inclusive finance
- **Develop dedicated tools**, recognized as “standard” by the inclusive finance sector, to support green inclusive finance
- **Publicize and disseminate its findings**
- **Enhance the interest and concrete commitment** of all actors (MFIs, investors, etc.) in green inclusive finance

Members

Launched in February 2013 in Berlin and hosted by the European Microfinance Platform (e-MFP), the GICSF-AG has **150+ members** with different levels of engagement, affiliated with **75+** institutions, including:

ADA, Advision Finance, Agora, Alterfin, Antwerp University- IOB, Babyloan, BBVAMF, BFC, BIO, BNP Paribas, Cerise, Clarmondial, COFIDES, Digital Frontiers Institute, Envest Microfinance, ESAF, European Microfinance Network, KIVA, FDL, GAWA Capital, Global Environment Facility, Grameen Crédit Agricole MF Foundation, HEDERA, IFAD, IFU, ILO, Inpulse, LMDF, MAIN, MFC, MFR, MicroEnergy International, Microfinanza Srl, M-CRIL, myclimate, Sparkassenstiftung, Nitlapan, Palladium Europe, PAMIGA, reNature, SIDI, SOS Faim Belgium, Triple Jump, Univ. Bergamo, Univ. Genève, Univ. Lux, Rabo Foundation, RFR, REDCAMIF, ULB-CERMi, UNCDF, SPTF, World Bank, YAPU Solutions

Coordinated by the GICSF-AG Heads:

- Natalia Realpe Carrillo, HEDERA & IASS Potsdam
- Davide Forcella, JuST Institute & CERMi



GICSF-AG Website: <https://e-mfp.eu/gicsf-ag>



**Green Index: Assessing
Environmental
Performance**



Trainings & Workshops



**Publications & Online
Library**



Ongoing Activities



Webinars



**Definitions, Tools &
Initiatives**



Events



Podcasts



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NETWORKING WITH THE SOUTH

NEW PUBLICATIONS !



GREEN INDEX 3.0
MAINSTREAMING GREEN INCLUSIVE FINANCE

Prepared by the e-MFP Green Inclusive and Climate Smart Finance Action Group (GICSF-AG) under the coordination of the group co-Heads: Davide Forcella (JuST Institute, CERMA) and Natalia Reașpe Carrillo (HEDERA Sustainable Solutions GmbH, Institute for Advanced Sustainability Studies (IASS))
November 2022

**GREEN MICROFINANCE
IN EUROPE,
FIRST STEPS AND
FORTHCOMING
OPPORTUNITIES**

With the support of
JuST institute HEDERA IASS

With the contribution by EIF
EIF

With the financial support from the European Union
European Union



<https://www.e-mfp.eu/green-index>



Developed by the
e-MFP GICSF-AG

Aligned with:

- International initiatives
- USSEPM Dim 7, co-developed with SPTF & CERISE

GREEN INDEX 3.0 Digital Solution



- The GICSF-AG is pleased to provide an online digital solution for the Green Index 3.0! The tool is publicly available and free of charge for everyone, to be used for data collection or training
- The Green Index 3.0 digital tool has been developed by HEDERA, IT partner of the GICSF-AG (<https://hedera.online/>)

https://hedera.online/gicsf_ag_tools/green-index-digital.html



Powered by 

The digital tool for the Green Index 3.0 has been conceptualized by Davide Forcella, Natalia Realpe Carrillo, and Alfonso Caiazzo and developed by Alfonso Caiazzo (HEDERA) as a service for the GICSF-AG

Green Inclusive Finance Online Library

- Online library dedicated exclusively to green inclusive finance, publicly available, containing **500+ documents** and growing!



<https://gicsf-ag.hedera.online>

*Do you have a publication that should be there?
Send it to us to share with the sector!*

Green Inclusive and Smart Climate Finance
e-MFP AG

[AG Homepage](#)


ONLINE LIBRARY

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Search the database

The Green Inclusive and Climate Smart Finance Action Group is happy to provide the first online database dedicated to Green Inclusive Finance. The objective is to be both comprehensive and focused, and to be a useful repository for different types of actors with different levels of expertise and who are looking to answer a broad range of questions. Therefore, the publications collected include academic as well as policy- or practitioner-oriented publications, which can deal with concrete case studies or more abstract concepts. The search options are there to help the interested reader refine its quest.

The online library aims to support exchanges of experiences, results, and lesson learnt.

Start typing to search papers by title or author name

More filters

Found 857 other similar queries

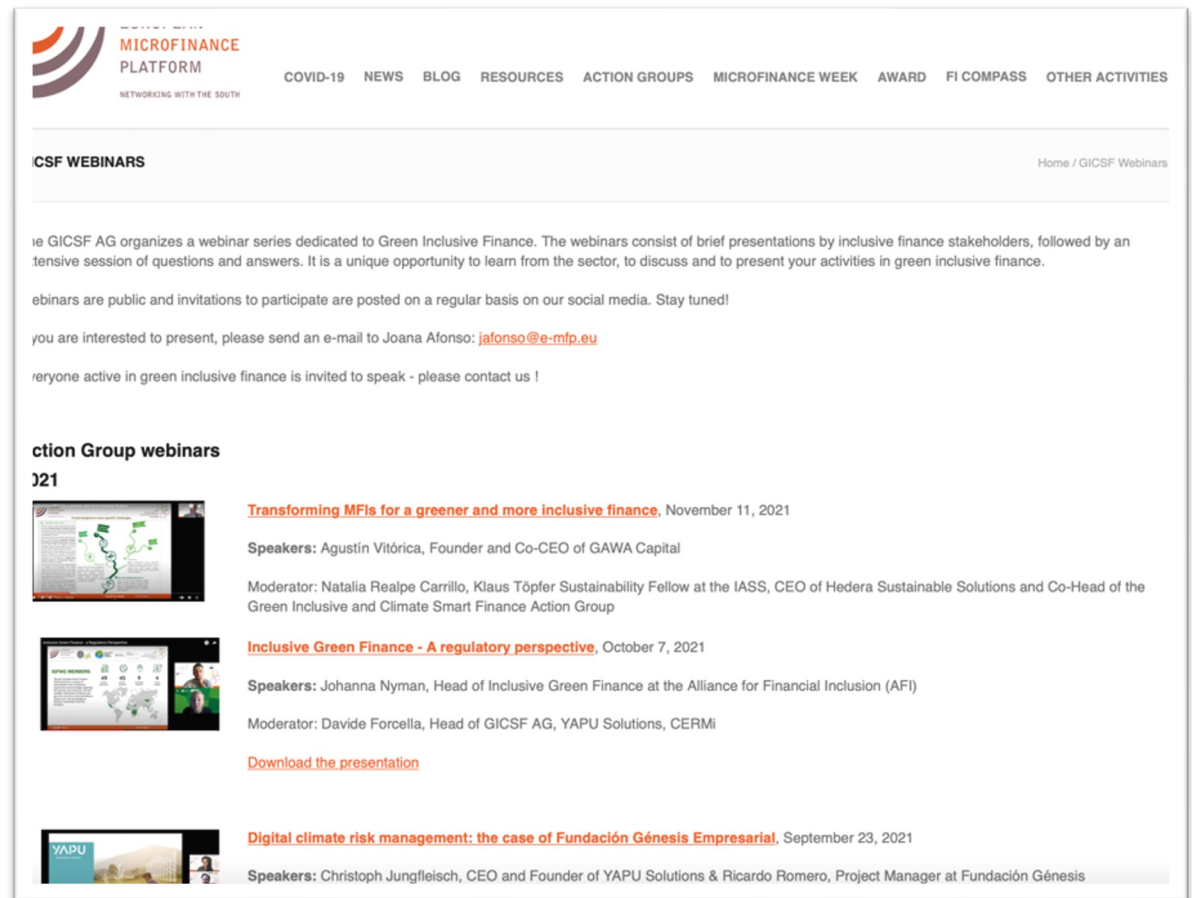
Id	Author	Title	Category	Topics	Region	Language	Document
750	(2011)	Using Microfinance to Ensure Sustainable Rural Livelihoods and Food Security While Mitigating Climate Change - PART II: CLIMATE	Report	Microfinance, Climate change adaptation, Energy poverty	World	English	View PDF

Monthly Webinar Series on Green Inclusive Finance



- Webinar videos and presentations available online
- Best practices in the sector
- 20+ webinars!
- Over 2000 attendees!

<https://www.e-mfp.eu/gicsf-webinars>



The screenshot shows the 'GICSF WEBINARS' page on the European Microfinance Platform website. The page features a navigation menu with links to COVID-19, NEWS, BLOG, RESOURCES, ACTION GROUPS, MICROFINANCE WEEK, AWARD, FI COMPASS, and OTHER ACTIVITIES. The main content area is titled 'GICSF WEBINARS' and includes a brief description of the webinar series, contact information for Joana Afonso (jafonso@e-mfp.eu), and a list of recent webinars. Each webinar entry includes a thumbnail image, the title, date, speakers, and moderators.

CSF WEBINARS Home / GICSF Webinars

GICSF AG organizes a webinar series dedicated to Green Inclusive Finance. The webinars consist of brief presentations by inclusive finance stakeholders, followed by an intensive session of questions and answers. It is a unique opportunity to learn from the sector, to discuss and to present your activities in green inclusive finance.

Webinars are public and invitations to participate are posted on a regular basis on our social media. Stay tuned!

If you are interested to present, please send an e-mail to Joana Afonso: jafonso@e-mfp.eu

Everyone active in green inclusive finance is invited to speak - please contact us!

Action Group webinars

2021

Transforming MFIs for a greener and more inclusive finance, November 11, 2021
Speakers: Agustín Vitórica, Founder and Co-CEO of GAWA Capital
Moderator: Natalia Realpe Carrillo, Klaus Töpfer Sustainability Fellow at the IASS, CEO of Hedera Sustainable Solutions and Co-Head of the Green Inclusive and Climate Smart Finance Action Group

Inclusive Green Finance - A regulatory perspective, October 7, 2021
Speakers: Johanna Nyman, Head of Inclusive Green Finance at the Alliance for Financial Inclusion (AFI)
Moderator: Davide Forcella, Head of GICSF AG, YAPU Solutions, CERMI
[Download the presentation](#)

Digital climate risk management: the case of Fundación Génesis Empresarial, September 23, 2021
Speakers: Christoph Jungfleisch, CEO and Founder of YAPU Solutions & Ricardo Romero, Project Manager at Fundación Génesis

Training on Green Inclusive Finance



<https://www.e-mfp.eu/gicsf-trainings-workshops>

*Interested
in attending
a training?
Contact us!*

1. Green Inclusive Finance

2. Green Strategy

3. Assessment & Management of
Vulnerabilities

4. Assessment & Management of Negative
Environmental Impacts

5. Green Financial and Non-Financial
Products and Services

6. Green Inclusive Finance and Gender

7. Green Inclusive Finance and Digitization



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GICSF-AG Green Heroes

GREEN HEROES: Think Tank - Learning

A working group within the GICSF-AG, composed of MFIs with extensive experience in Green Inclusive Finance

- Continuous innovation among heroes
- Lessons learned and peer learning for the sector
- Guidelines on green inclusive finance implementation for the sector

Match best local practices with highest international standards to make green inclusive finance grow

Propose your MFIs!





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Selma Jahić

Partner Microcredit Foundation

- Non profit and non deposit Microcredit Organization founded by Mercy Corps in 1997.
- One of the largest microcredit foundation operating for more than 25 years.
- The leading MFI in EE segment (currently 94% in EE portfolio in the MFI sector).

October 2022	Amount (million EUR)
Portfolio	72,5
Assets	84,5
Equity	54
Number of clients	40,000
Number of employees	286
Number of field offices	68



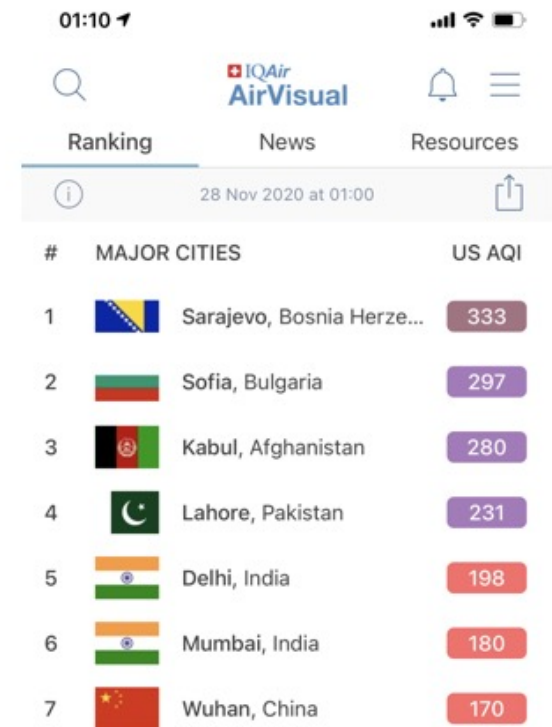
Partner Key Figures

Why Green Inclusive Finance?








- Sarajevo is the most polluted capital city in the world
- Tuzla after Tetovo (North Macedonia) is the most polluted city in Europe
- EE potential in B&H 2.5 billion EUR

90% of objects in BiH does not meet the regulations of thermal protection

Household/Year/kWh/m:
Europe 55
B&H: 180



01:10 | IQAir AirVisual | 28 Nov 2020 at 01:00

#	MAJOR CITIES	US AQI
1	 Sarajevo, Bosnia Herze...	333
2	 Sofia, Bulgaria	297
3	 Kabul, Afghanistan	280
4	 Lahore, Pakistan	231
5	 Delhi, India	198
6	 Mumbai, India	180
7	 Wuhan, China	170

What have we accomplished so far?

- Over 46 million EUR disbursed in energy efficiency
- Over 18.000 clients served in energy efficiency
- EE disbursement share 30%
- EE portfolio share 20%
- Reduction of CO2 emission 898,000 tons (38,2% of Tuzla Power Plant annual emission of CO2).
- Primary energy savings of 2,87 million MWh (average energy consumed by a medium-sized city in BiH).



Profile of the client

- Average loan amount: EUR 2,880
- 70% repeated clients, 30% new clients
- 98% housing and natural person 2% legal and agricultural entities.



Key benefits for clients

- **Inevitable increase of energy prices (electrical energy, water and energents)**
- **Saving on energy and water heating cost**
- **Affordable financing options with fund return (from 10% to 20%)**
- **Loan cost are being paid off through return and achieved savings**
- **Better life quality / more comfort in housing unit/apartment**
- **Increase in real-estate value on the market**



ENERGIJSKA
EFIKASNOST

The most commonly used EE measures

- **Thermal building insulation - 46,78%**
- **Replacement of windows/doors - 43,99%**
- **Heating systems (biomass) - 9,06%**
- **Other - 0,18%**
 - **EU labeled home appliances**
 - **HAVAC**
 - **Solar collectors**

Why was it a success?

- Market research conducted before embarking on EE finance
- Technical Assistance is as important as financial assistance
- Special software to track EE impact- eSave
- Established cooperation to offer special credit lines



Smanjuje ugljični otisak

1,65 t/CO₂ u 40 godina





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Pametno ulaganje u dom.




20




Why was it a success?

- Offering high quality training on technical aspects of EE equipment and sales of EE products.
- Raising awareness/understanding of target population on benefits from investing in EE measures through education campaigns.
- Cooperation with EE/RES stakeholders.
- Starting small, get help from an international partner with experience in EE finance
- Promoting EE finance by stressing economic and ecological benefits



Zamjenom starih prozora i vrata sa energijski efikasnim može se ostvariti ušteda novca između 400 KM i 780 KM godišnje.

Why was it a success?

- Training and buy-in for loan officers as well as incentives for loan officers for EE loans
- Loan product designed in accordance with the needs of the target population- (lowest interest rate with grant component for clients)
- Linkage with local stakeholders
- PR and promotional campaigns
- Measure of the impact
- Digitalization of green technologies

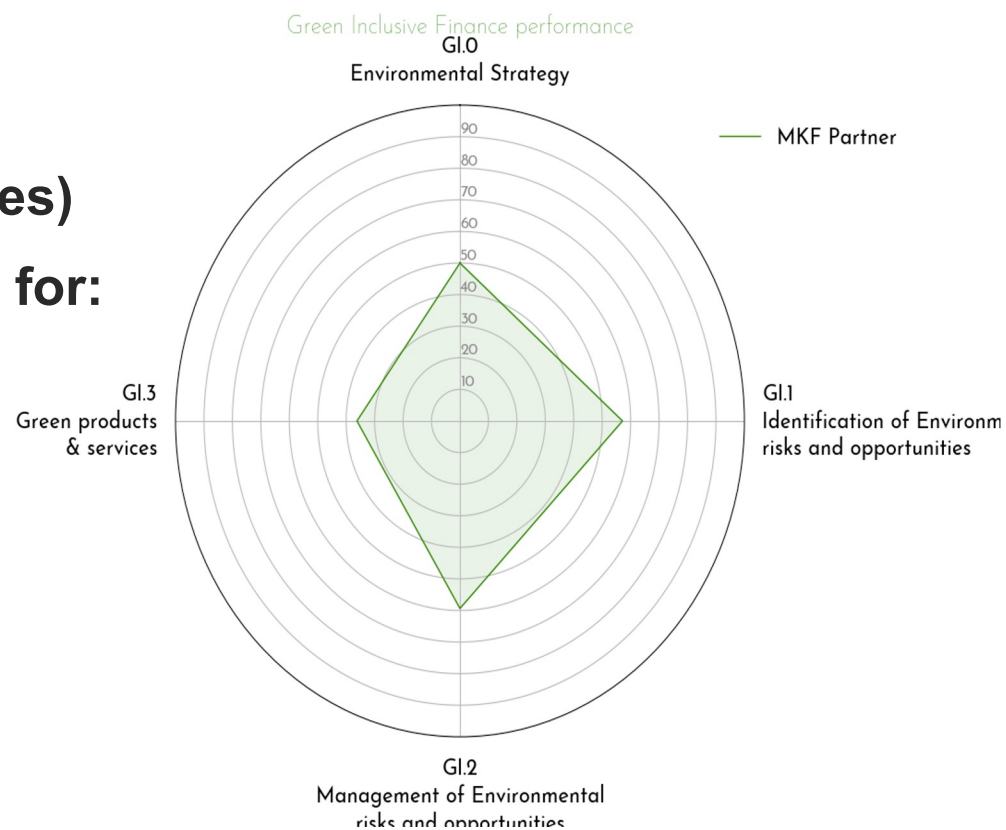


Environmental Assessment

(as a part of Green for Growth Fund TA)

- **Identified Gaps**
- **Environmental Objectives (& Priorities)**
- **Improvement Roadmap with actions for:**
 - first 6 months,
 - 6 months- year 2
 - In 2 years time

51%



GREEN INDEX 3.0

Partner's plans for the future



- Expand EE finance to households and businesses
- To achieve 50% of portfolio in EE segment
- Maintain the leading position in EE segment (currently 94% share in the EE portfolio of B&H sector)
- Build more partnerships
- Develop staff capacities
- Offer customer services (energy savings calculations, loan calculator etc.)



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Join the Green Heroes!

- **Great opportunity to disseminate learning in the sector**
- **To learn more about trends and good practices**
- **To become environmental visionaries, innovators, leaders and contributors to society.**



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Pedro Emilio Marchetti

FDL Nitlapán Group

- Nitlapán Reserach and Development Institute of the Universidad Centroamericano de Nicaragua in 1988
- Asociation FDL Non-profit and non deposit Microcredit Organization founded 1996
- Financiera FDL for prorit MFI founded in 1996
- The leading MFI consortium in agriculture and green segment in Central America

Key Figures. FDL-Nitlapan y Partners

October2002	Amount (million EUR)	% of Parten
Porfolio	59.9	83%
Assets	121.0	143%
Equity	32.5	60%
PAR	3.8%	
Number of clients	49,657	124%
Number of employees	785	274%
Number of field offices	46	68%

Why Green Inclusive Finance?

1. Microfinance could make a huge difference in reducing the coming climate social chaos, more than any other initiative due to its unmatched outreach
2. Policy architectures for global warming and biodiversity loss are failing (Marchetti, 2016)
3. Our success in inclusive and resilient microenterprise practice does not translate into ecosystem resilience as green financial penetration never goes over 20% even in Nicaragua, the poster child of agricultural microfinance For every client we have regenerating the ecosystem there are 4 enterprises destroying it. (FDL CEO, 2017)

What have we accomplished so far?

- ❑ **Over 176 million EUR disbursed in Green Microfinance Plus loans**
- ❑ **Over 69,000 clients served with Green Microfinance Plus loans**
- ❑ **Green disbursement share 13.7%**
- ❑ **Green portfolio share 19.0% (2018)**
- ❑ **Green Client Share 28.5% (2018)**
- ❑ **Carbon Capture (metric tons). 8.4 million tons**
- ❑ **Roll back of CO2 emission 20.9 million tons**

Why FDL-Nitla success in Green Microfinance?

What FDL-Nitlapan does: Green microfinance plus Combining Financial, non-Financial and Territorial Services

Non-Financial Services

Co-produced research with clients on green alternatives in their farms

Green technical assistance

Territorial Services (coordination with and diploma programs for multi-actors)

Financial Services with Incentives

Financial products co-produced with clients that set both financial and greens goals

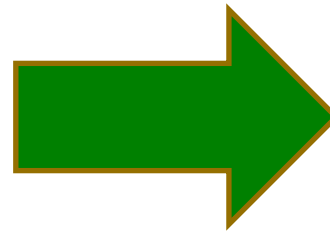
8% of loan in bio-awards (PES)

25% reduction in interest rates for meeting green goals

What is missing?

- Mitigating Diversity-loss in Microfinance (energy and agriculture)
- Understanding why a second microfinance revolution is needed ‘
- Doing something about policy architecture failure in both global warming and biodiversity loss.
- How to fill these huge extinction risk vacuums?
 - Fine tuning among multiple actors
- Within MFIs and between the 1st, 2nd and 3rd tier financial providers
- Between microfinance and public policy
- Between entrepreneurs, civil society and multilateral policy makers

FDL-Nitlapan Plans for Future



All Individual
Entrepreneurship



**Ecosystem
transformation**

Challenges for Nitlapan-FDL and the MF industry

1. Move from financing individual microenterprises to Financing diverse ecosystems
2. Prioritize financing Locally Led Regeneration of Ecosystems
3. LISTENING TO INDIGENOUS PEASANTS MAKE SENSE
4. Align second and third tier microfinance institutions with financing ecosystems, clean energy and meeting biodiversity convention goals

TRESS ARE
WORTH IT !!



Financing Locally Led Regeneration of Ecosystems

MFIs would allow Multiactors at the local level to define:

- Portfolios
- Financial Products
- Bioawards
- Non-financial Services
- MRE

Join the Green Heroes!

- **Great opportunity to disseminate learning in the sector**
- **To generate our proposals for 2nd and 3rd tier financial providers for the greening of microfinance**
- **To make a significant surge forward in actually meeting climate warming and biodiversity goals.**



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An event organized by the Green Inclusive and Climate Smart Finance Action Group (AG-GICSF)
Do you want to be a presenter or moderator in the webinar series? Please contact us:

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Davide Forcella: davide.forcella@yahoo.it

e-MFP contact:

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