



---

## NEWS FROM OUR ACTION GROUPS

---

### Microfinance and the Environment Action Group

D. Forcella, CERMI, co-Head e-MFP Microfinance and Environment Action Group  
G. J. Schuite, Enclude



Environment, society and economy are strongly interlinked and the triple bottom line approach should be important in any financial transaction. MFIs' clients are among the most affected by climate change and environmental degradation, and indeed, so are the MFIs' portfolios. At the same time, clients' activities can strongly pollute the local environment and affect health. Microfinance can contribute to transform these threats into opportunities, providing financial and non-financial services which improve clients' resiliency, foster sustainable rural development, access to good quality clean energy, and overall contribute to supporting social and environmental responsibility.

Since 2013 the e-MFP Microfinance and Environment Action Group, composed today of members from 36 organizations, is contributing to support the development of a triple bottom line microfinance. Working as a unique think tank and platform of exchange of best practices and experiences, it develops initiatives and tools aiming to support the introduction of the green dimension in the microfinance sector. The Action Group has facilitated various green workshops, sessions and training during international gatherings, performed and collaborated in research; published a catalogue of clean energy products to help MFIs identify relevant technologies related to renewable energy and energy

efficiency; and developed the Green Index, an unique tool enabling MFIs to assess their environmental performance.

In its 2015 annual meeting the members of the Action Group agreed that it is the right time to bring green microfinance to the next level. The new mandate was approved for the period 2016-2017, and three main activities have been defined and are presently underway:

1. Update the Green Index;
2. Training module on green microfinance for investors / donors;
3. Guidelines on how to track the effects of green microfinance on clients.



Three dedicated subgroups have been formed and are currently preparing these activities.

The first objective has been accomplished. Building on results from two years pilot phase, especially within the SPI4, and a dedicated joint study between e-MFP and the MIX in 2015, in the first half of 2016 the Action Group has improved the Green Index adapting it to better align with Alinus and the MIX Market indicators, made it more user-friendly and introduced for the first time environmental quantitative indicators. The Green Index 2.0 will be presented during this year's European Microfinance Week (EMW), it has already been integrated into the current (2016) version of SPI4, and it aims to become the stand-

ard reference for environmental performance assessment in microfinance. The second activity aims to build the capacities of donors and investors to define adapted strategies to promote environmental responsibility within MFIs. The third activity aims to identify existing or experimental tools, as well as indicators and methodologies to allow MFIs to track effects of their green services in a simple and easy way.

For EMW 2016 the Action Group has organized two seminars: "Financing sustainable energy: Traditional solar vs. PayGo"; "Investing in green inclusive finance: Challenges, opportunities, strategies, the way forward", and it will lead the "second green training" aiming to train participants on the assessment

and management of the environmental performances of MFIs. Moreover the Microfinance and Environment Action Group is presently organizing for the EMW 2016, a space for meeting, discussion and planning, with the Rural Outreach and Innovation Action Group, to define a common agenda and strategy for environmentally sustainable agricultural microfinance and green innovation. The Microfinance and the Environment Action Group consists of 52 members, representing 36 organizations, and is coordinated by:

- Raluca Dumitrescu, MicroEnergy International
- Davide Forcella, ULB-CERMI
- Marion Allet, PAMIGA

For more information on the Action Group and its publications, visit <http://www.e-mfp.eu/actions-groups/microfinance-environment>

## NEW MEMBER

### MFI Insight Analytics



MFI Insight Analytics is an expert provider of analytical solutions and services for financial institutions such as banks and MFIs. It is powered by INES-IT.sprl, which is a Belgian consultancy company providing services since 2000 to top global institutions. With over 15 years of presence in the industry, they deliver services through expert opinions of our team members.

They operate with both social and economic mission. Through their services for microfinance lenders, MFI Insight Analytics aims at increasing the sustainability of MFIs so they can lend loans to poor candidates. The increased loan provision can give rise to economic activity and subsequently encourage world poverty alleviation.

The analytical solutions offered are based on analytical solutions and mobile banking that improve the operations and management for better performance that can lead to their sustainability. The solutions are offered both on premises and cloud based.

Featured applications offered by MFI Insight Analytics include:

- Credit Scoring System
- Loan Portfolio Management System
- 360 Customer Centricity
- Channel and Operational Performance Application

For more information visit [visit http://mfianalytics.com/](http://mfianalytics.com/)