

Achieving economic, social and sustainability goals

Enclude's Environmental and Social Performance Management Services assists financial institutions, enterprises, government agencies, and investors in transforming sustainability and social goals into economic growth and profitability.

PRACTICAL GUIDANCE, MEASURABLE RESULTS

Enclude assists clients in improving their environmental and social (E&S) performance through a variety of services. Recent results include:

- **African Development Bank:** trained staff in more than 80 financial institutions across Africa on E&S management and coached 12 financial institutions in embedding E&S into their core business operations.
- **Sustainability e-Tool for FMO:** created a digital tool to guide FMO's microfinance institution (MFI) clients in anticipating and mitigating E&S risks in their portfolios. The toolkit covers 41 sectors and can be found at <http://fmo.nl/esg-tools>.
- **Green Performance Agenda:** designed a self-assessment toolkit for MFIs on behalf of Hivos which has been applied in over 50 financial institutions. The toolkit allows users to compare their actual and potential future environmental performance and is complemented by practical advice on how to bridge the gap between both. See www.gpa4mf.blogspot.com



Enclude produced the *Social Performance Management (SPM) Roadmap* for the microfinance sector in Nigeria, used by the Central Bank to modernise regulation.

- **GroFin:** developed an impact measurement system that allows fund managers to identify, anticipate, and manage external social and environmental challenges and systematically track development impact at the client level.

RESPONSIVE SOLUTIONS

Our starting point is the client's aspirations. Expectations for an environmental and social performance management system vary considerably among clients; therefore, we begin with an assessment to thoroughly understand the client's E&S goals and direction, ensuring its ownership of the subsequent process.



This disciplined approach helps clients:

- achieve greater profitability by better managing environmental and social risks through customised E&S management systems;
- build in-house capacity for managing environmental and social risks by training investment and loan officers on E&S risk identification, monitoring, and reporting;
- design new financial products in sectors with significant E&S impact such as clean energy, waste management, sustainable agriculture, and sanitation;
- achieve more effective stakeholder communications and engagement on E&S issues by using E&S monitoring and reporting systems.

SERVICES AND SOLUTIONS

We deliver customised services to firms across the financing value chain to address their E&S management objectives:

- Asset owners and managers (foundations, family offices, fund managers, impact investing funds, sovereign wealth funds, high net worth individuals)
 - Impact investing assessment and measurement systems
 - Screening tools with E&S criteria
 - Impact reporting
 - Interactive E&S training of senior managers and portfolio officers
 - Tailor-made communication tools for E&S management
 - Programmes for building local consulting capacity on E&S issues
- Financial institutions (including development financial institutions and microfinance institutions)
 - Corporate E&S policy and guidelines
 - E&S strategy design, including procedures for different departments, aligned with their respective financing cycles

- Interactive E&S training for senior managers and investment officers
- Communication tools for internal dissemination of E&S guidelines
- E&S data collection and reporting (i.e. GRI)
- Tools for E&S risk assessment for various sectors
- Tools for E&S monitoring of portfolio



Enclude has provided Environmental and Social Management training to over 100 banks and microfinance institutions in Africa, Central and Latin America, Eastern Europe and Asia.



Ahon Sa Hirap, a microfinance institution in the Philippines, has integrated social and environmental performance data into its annual report, reflecting Global Reporting Initiative (GRI) Guidelines and setting an example in the sector.



To learn more about our work in environmental and social performance management, contact Geert Jan Schuite, gjschuite@encludesolutions.com or Patricia Santa Maria, psantamaria@encludesolutions.com

Enclude is an advisory firm dedicated to building more inclusive and sustainable local economies. We provide integrated capacity and capital services that help clients and partners design, connect, finance and build solutions that generate sustainable business results and positive social and environmental outcomes. Enclude's committed professionals work in four registered offices (Netherlands, United States, United Kingdom and Pakistan) and in project locations across the world, including Sub-Saharan Africa, Asia, Latin America and the Caribbean, Europe and Central Asia.

Affiliated with **Triodos Bank**

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