

EaSI Technical Assistance to the European Microcredit Sector

European Commission
DG Employment, Social Affairs and Inclusion



**Green Finance Webinar Series:
Greening of Financial
Institutions**



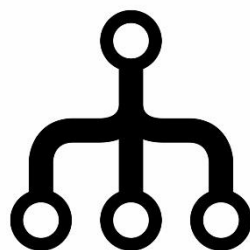
Session Structure & House Rules

This is the second from a series of EaSI Technical Assistance webinars on Green Finance at Microfinance Institutions

- Climate Change – Business Opportunity for MFIs: 26 September 2019
- ✓ **Greening of Financial Institutions – A case study: 16 October 2019**
- Green finance products: 14 November 2019
- Environmental & social risk management: 4 December 2019



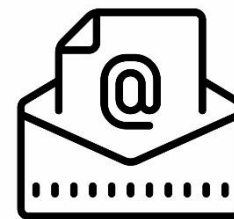
60 minutes



Webinar
structure



Ask us
questions



Slides will
be shared
via email

Speaker Profiles



Ms. Inken Paysen

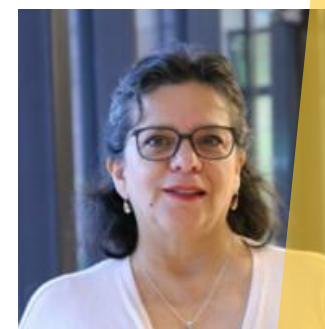
is assigned as **Key Expert in the EaSI Technical Assistance programme** and is responsible for designing tailor-made technical assistance and trainings for the programmes' beneficiaries, the European microcredit providers. Inken is also a Senior Project Manager at Frankfurt School of Finance & Management

Contact via email: i.paysen@fs.de

Ms. Norah Becerra

has more than 25 years of experience in MSME lending, rural and agricultural finance, climate change finance and disaster risk finance. She combines an in-depth knowledge of the green finance topic with hands-on practical experience from all over the world and has implemented and supervise "greening of financial institutions" projects. Norah is also a **Senior Project Manager at Frankfurt School of Finance & Management**

Contact via email: n.becerra@fs.de

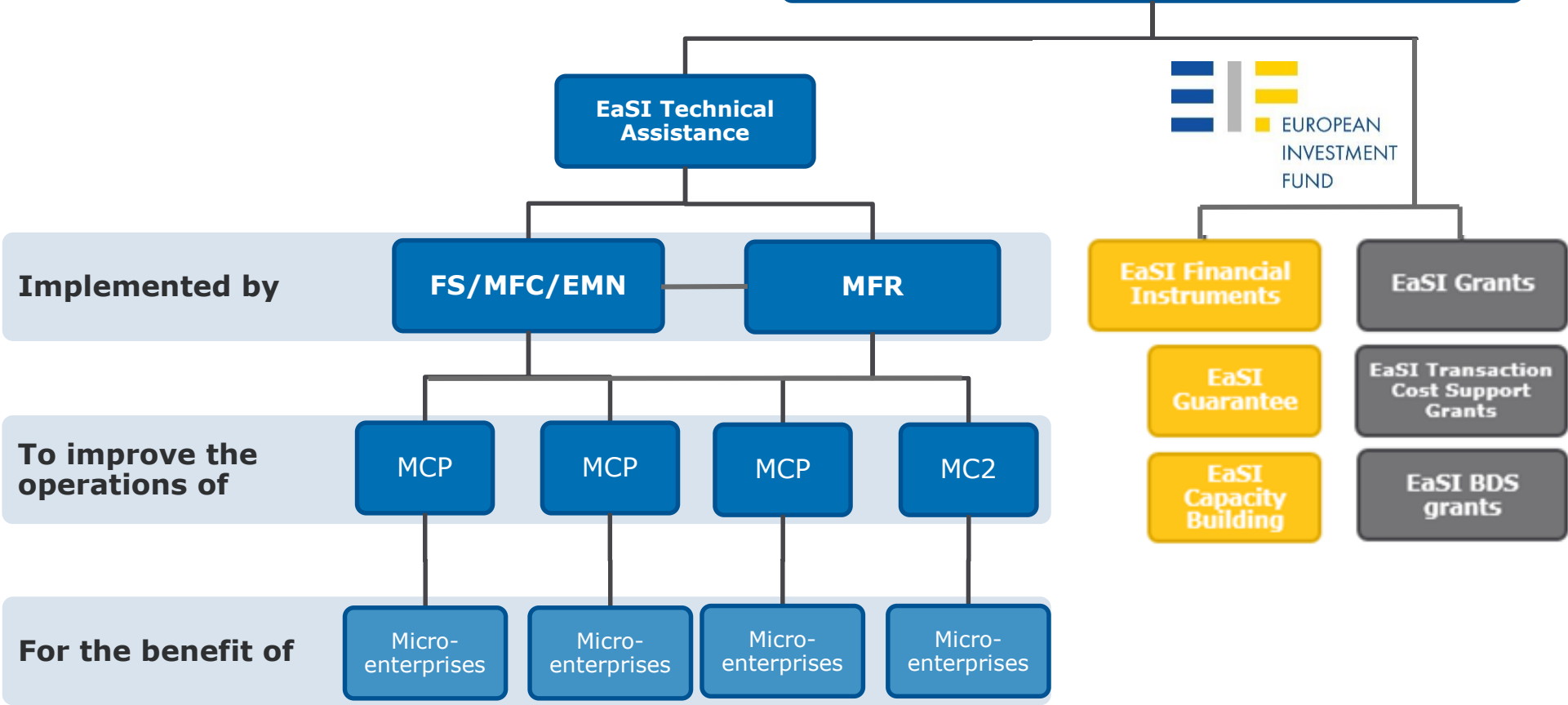


EaSI Technical Assistance – Programme Snapshot

Funded and managed by the European Commission



EaSI Funding Programme Microfinance and Social Entrepreneurship axis



Service Providers



Service Providers

Technical Assistance:

- » Frankfurt School of Finance and Management gGmbH (FS) – Consortium Leader for the Technical Assistance Services
- » Microfinance Centre (MFC) – Consortium Partner
- » European Microfinance Network (EMN) – Consortium Partner

Assessment, Evaluation and Ratings:

- » MF Rating – Provider of Institutional Assessments, Rating and Evaluations

Project Beneficiaries and Geographic Coverage

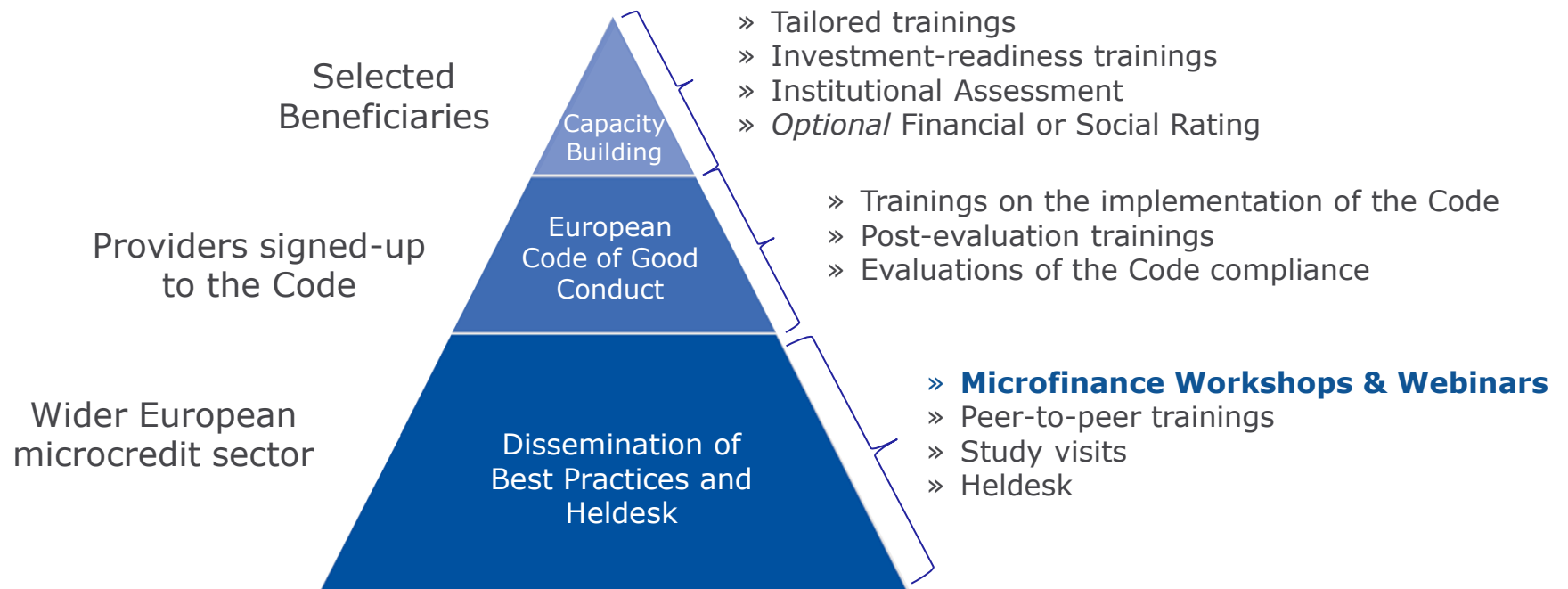
- » Public and private financial intermediaries (greenfield microfinance institutions, non-bank microcredit providers, licensed banks and guarantee granting entities) in **all Member States of the European Union**, as well as providers from **Albania, the Republic of North Macedonia, Iceland, Montenegro, Norway, Serbia and Turkey** may respond to dedicated Calls for Expression of interest to request EaSI Technical Assistance.

How to Apply for Technical Assistance?

- » Before applying eligible microcredit providers must first sign-up to or endorse the European Code of Good Conduct for microcredit provision.
- » To apply respond to the open [Call for Expression of Interest](https://ec.europa.eu/social/easi) published on the ec.europa.eu/social/easi webpage.

Services Overview

What is offered to whom?



July 2018

July 2022

Project Duration – 4 years

A Call for Expressions of Interest is now OPEN



The European Commission has opened a [new Call for Expression of Interest for EaSI Technical Assistance services](#) for microfinance with the goal of selecting microfinance institutions in need of technical assistance support and with a view to boost their institutional capacity in order to improve their operations

WHO CAN APPLY?

Microcredit providers such as:

- » Greenfield microfinance institutions,
 - » Non-bank microfinance institutions,
 - » Licensed banks,
 - » Guarantee-granting entities,
 - » Fintechs providing microfinance,
- registered in and operating from the EU Member States, as well as: Albania, Iceland, the Republic of North Macedonia, Montenegro, Norway, Serbia and Turkey

HOW TO APPLY & DEADLINE?

Please visit the European Commission's dedicated page at ec.europa.eu/social/easi to download:

- » [template for expression of interest](#)
- » [declaration on honour](#)

The Call is open-ended with no deadline for applications. The European Commission, however, reserves the right to close the Call at any time, with 2-weeks prior notice to its closure

APPLY TODAY

For any questions on the Call please contact easi.ta@fs.de

Recap of the Green Finance Introductory Webinar



- Climate Change is a threat, the actions we need to take to stop it are not! They may present **opportunities and cost benefits**.
- Focus on **energy efficiency measures first**, instead of jumping to renewable energy.
- When looking at sectors to invest in, which have a big potential for greenhouse gas (GHG) reduction consider the **Waste, Building or Transportation** sectors first.



EaSI Technical Assistance

Greening of Financial Institutions

*Webinar 2 from the Green Finance at
Microfinance Institutions series*

Norah Becerra,
Senior Project Manager
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16 October 2019,
Frankfurt am Main

Agenda

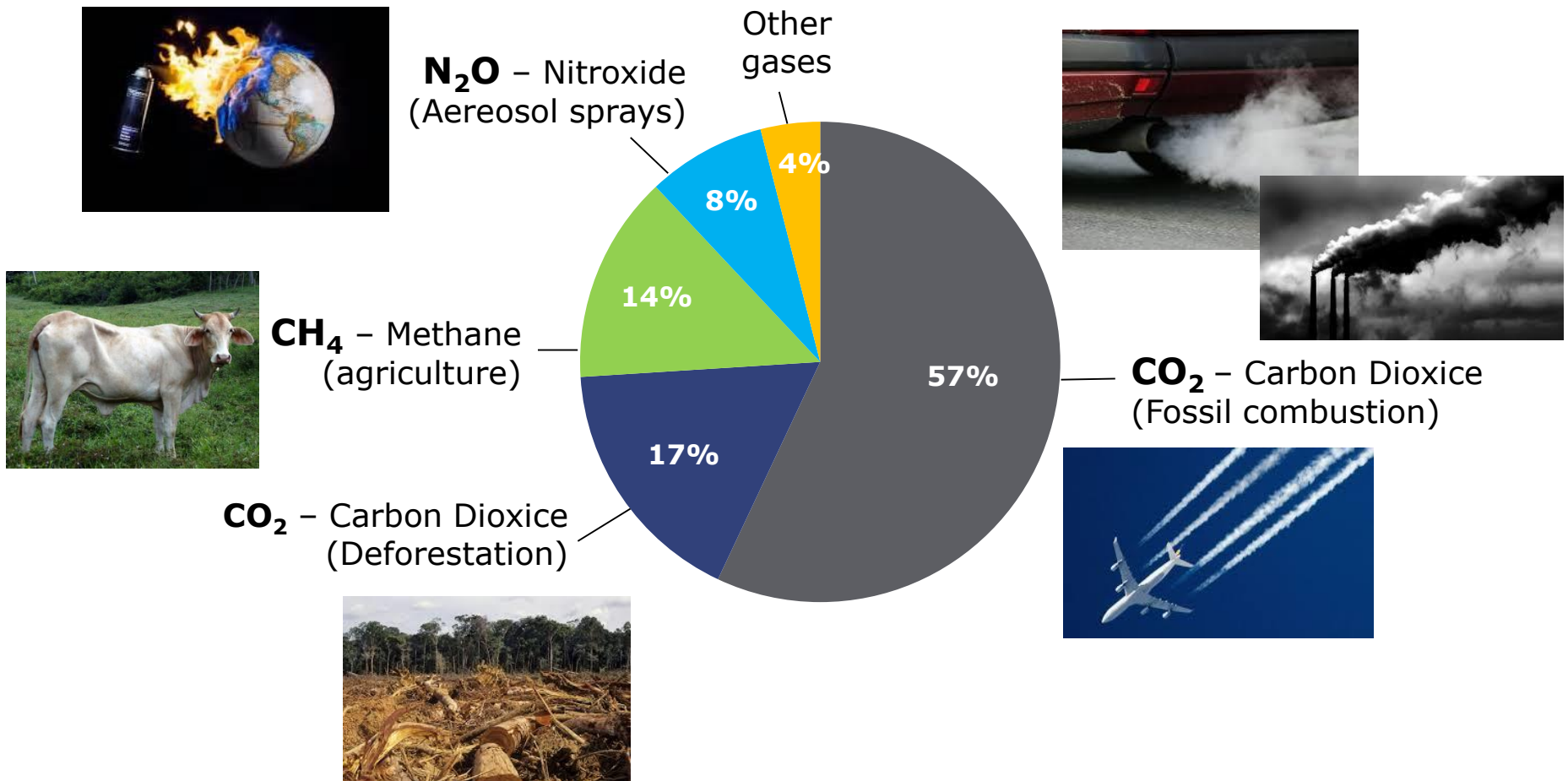
- ✓ Main Causes of Climate Change
- ✓ Carbon Footprint Overview
- ✓ Emission Categories
- ✓ Carbon Footprint Reduction Process
- ✓ Case Study – Greening an MFI from Bolivia
- ✓ Q&A

The impacts of Greenhouse Gas Emissions (GHG) are real and widespread worldwide...

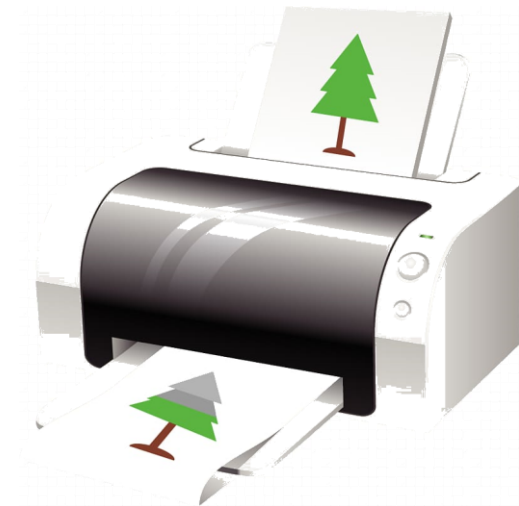


What causes Climate Change?

Accumulation of Greenhouse Gas Emissions (GHG) in the atmosphere



We all produce additional GHG through bad or inefficient use of resources

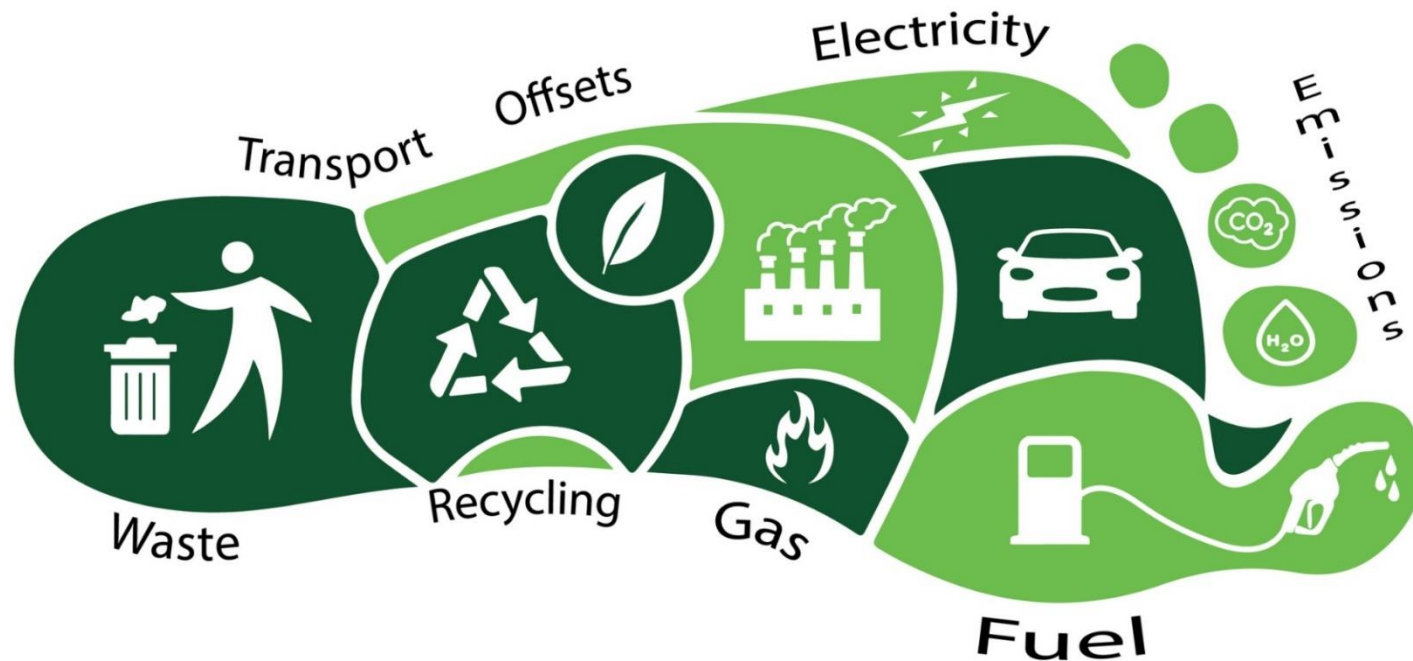


What is the Footprint of Financial Institutions?

Financial institutions like any other company generate a carbon footprint with their operation and activities

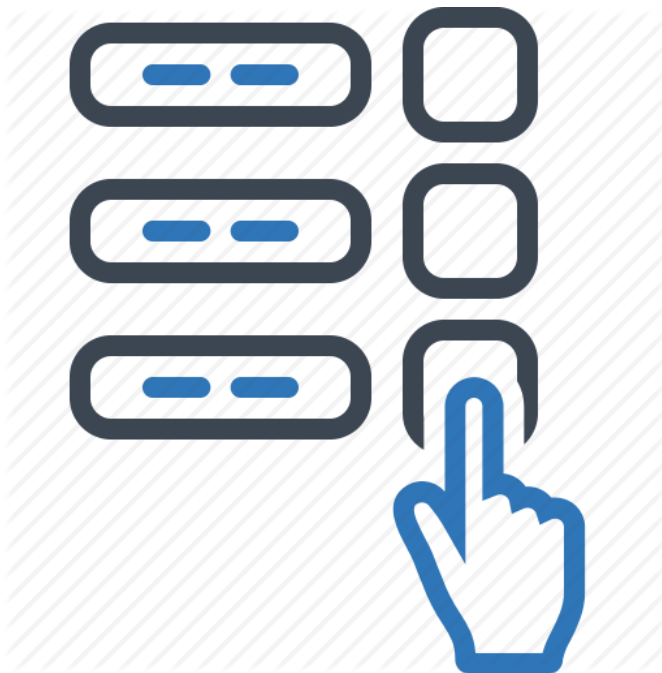


Carbon Footprint Overview



So, how can you measure the footprint of your institution?

Audience Poll



Is your organization doing anything to reduce its carbon footprint?

A. YES

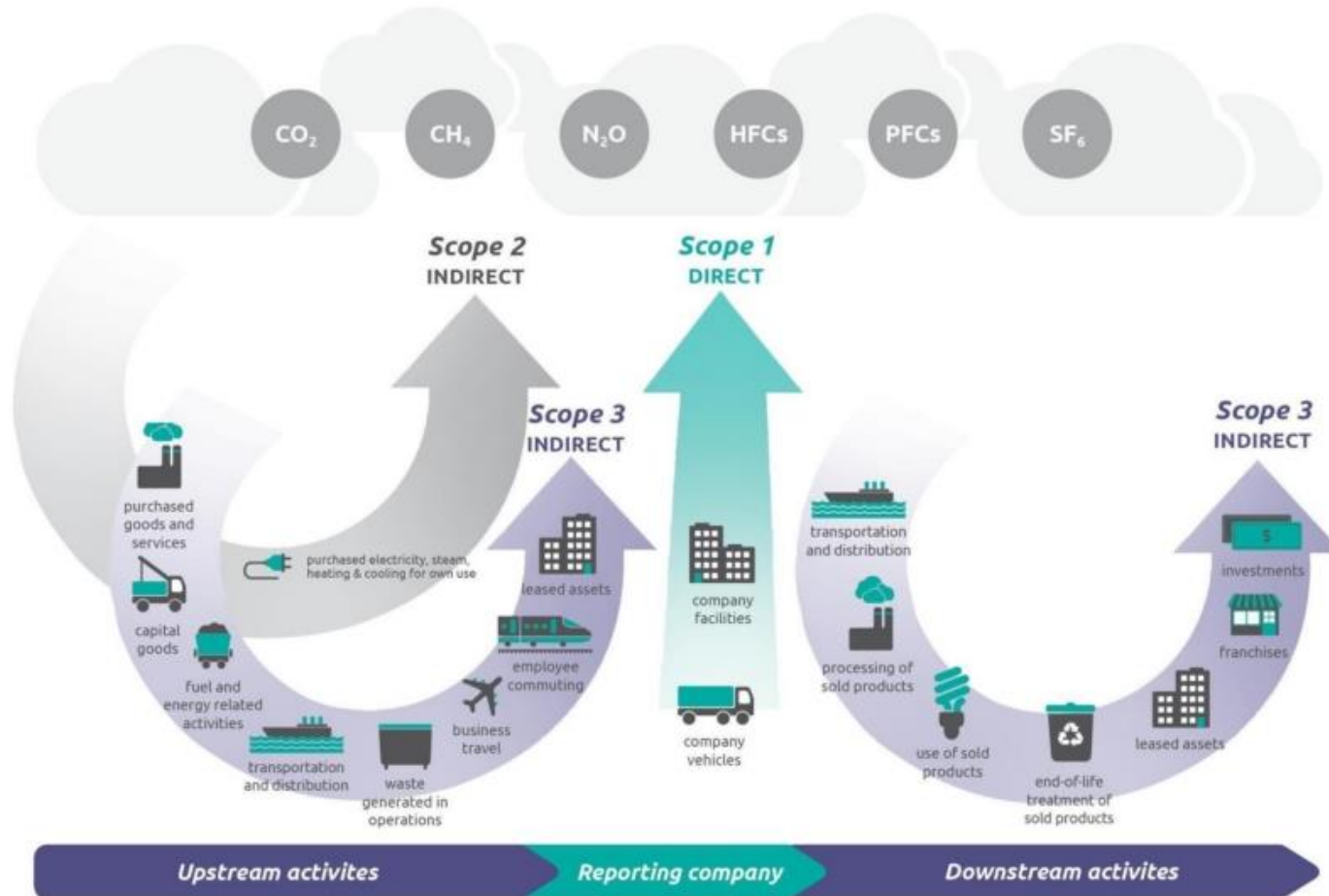
B. NO



European Commission

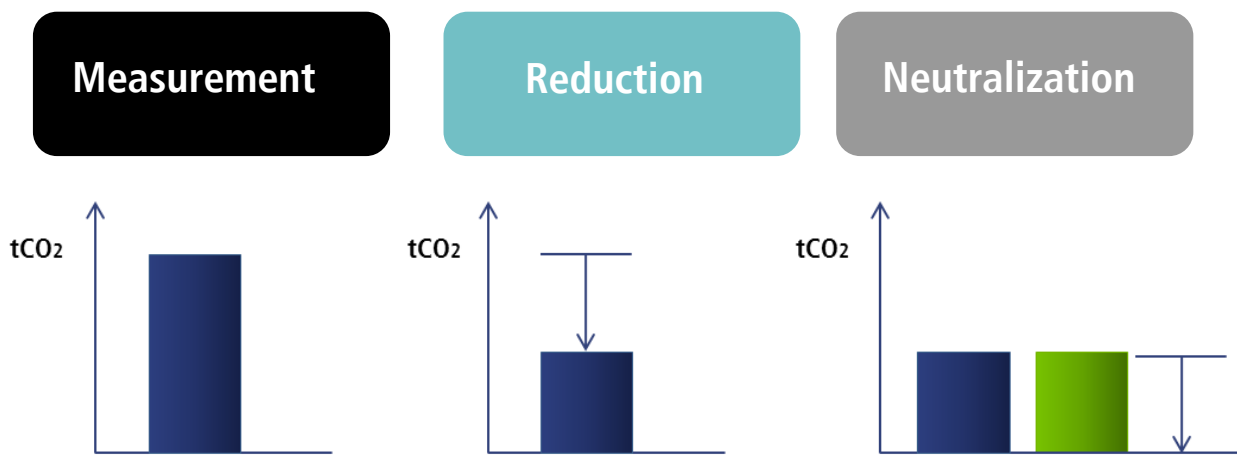
Emission Categories

The Greenhouse Gas Protocol Corporate Standards (2004), classify emissions into three categories: Scope 1 - direct emissions; Scope 2 and 3 - indirect emissions. This is the most used standard for GHG accounting and reporting (alternatively use the ISO 14604-1)



Source: GreenHouse Gas Protocol 2019

Carbon Footprint Reduction Process



Assessing your financial institution's carbon emissions entails:

- Identifying the main emission sources
- Collecting activity data for each source (from expenses/bills)
- Converting this activity data into emission levels
- Finding ways to reduce your carbon footprint
- Neutralizing the rest of the emissions

Case Study

Under the EcoMicro project, Frankfurt School implemented the “greening of MFIs” component in three financial institutions in Latin America. One of them was in Bolivia:

- Mid-sized MFI with national coverage (62 branches and 700 staff)
- Loan portfolio \$157 million
- Driven by the donor the MFI wanted to reduce its carbon footprint
- As a result of the project, the MFI could develop an environmental policy, train its staff, introduce savings measures and thus reduce footprint and costs
- The MFI took measures to neutralize the rest of its emissions



Identification of Emission Sources

- 7 main sources of emissions were identified
- The headquarters and 6 branches were selected for measurement (3 in cities and 3 in rural areas)
- Data collection was done on the basis of expenses and evaluation of infrastructure
- Data was introduced in a tool to convert it to kgCO₂
- After the initial assessment, the tool was filled-in on a monthly basis by the MFI



Measurement and Conversion in kgCO₂

Scope 1

Emissions from fuel consumption for own cars

Branch	Fuel consumption (L)	Emissions (kg CO ₂ e)
Headquarters	25,614	63,265.52
City branch 1	4,850	11,980.44
City branch 2	4,594	11,348.08
City branch 3	4,388	10,837.95
Rural branch 1	241	595.06
Rural branch 2	1,517	3,747.85
Rural branch 3	3,661	9,042.86
Total	44,865	110,817.76

Scope 2

Emissions from electric power consumption

Branch	Electric power consumption (kWh)	Emissions (kg CO ₂ e)
Headquarters	77,587	29,871.00
City branch 1	13,681	5,267.19
City branch 2	25,643	9,872.56
City branch 3	8,681	3,342.19
Rural branch 1	2,205	848.93
Rural branch 2	4,797	1,846.85
Rural branch 3	4,473	1,722.22
Total	137,067	52,770.91

Scope 3

Emissions from Air travel

Branch	Short flights (km)	Medium flights (km)	Long flights (km)	Emissions (kg CO ₂ e)
Headquarters	25,300	10,872	173,214	19,275.18
City branch 1	466	4,432	0	485.84
City branch 2	0	4,432	0	409.03
City branch 3	466	4,432	0	485.84
Rural branch 1	0	0	0	0.00
Rural branch 2	0	4,432	0	409.03
Rural branch 3	0	4,432	0	409.03
Total	26,232	33,032	173,214	21,473.96

Emissions from Stationary and Other materials

Branch	Synthetic textiles		Office materials		Paper & cardboard		Plastic derivatives		TOTAL Emissions (kg CO ₂ e)
	Weight (kg)	Emissions (kg CO ₂ e)	Weight (kg)	Emissions (kg CO ₂ e)	Weight (kg)	Emissions (kg CO ₂ e)	Weight (kg)	Emissions (kg CO ₂ e)	
Headquarters	18.00	100.98	162.90	685.40	1650.76	3241.27	60.22	270.27	4,297.92
City branch 1	19.00	106.59	164.20	690.87	1999.20	3925.43	117.30	526.44	5,249.33
City branch 2	10.00	56.10	11.82	49.73	319.99	628.30	16.55	74.28	808.40
City branch 3	6.00	33.66	4.00	16.83	153.65	301.69	3.12	14.00	366.18
Rural branch 1	8.00	44.88	5.24	22.05	143.14	281.05	4.85	21.76	369.74
Rural branch 2	0.00	0.00	0.88	3.70	84.04	165.01	0.60	2.69	171.41
Rural branch 3	0.00	0.00	0.10	0.42	67.60	132.73	2.16	9.69	142.85
Total	61.0	342.2	349.1	1,469.0	4,418.4	8,675.5	204.8	919.1	11,405.8

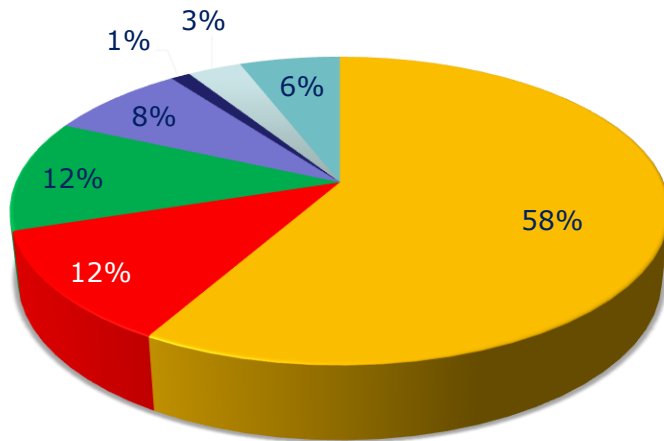
Consolidated Measurement Data

Emissions per Branch and Source (kg CO₂e)

Branch	Fuel consumption	Electric power consumption	Air travel	Solid waste	Stationary & other materials	LPG consumption	Construction	Total kg CO ₂ e emissions
Headquarters	63,266	29,871	19,275	9,450	4,298	21	52	126,233
City branch 1	11,980	5,267	486	2,494	5,249	4	0	25,480
City branch 2	11,348	9,873	409	2,888	808	17	0	25,343
City branch 3	10,838	3,342	486	2,494	366	6	0	17,532
Rural branch 1	595	849	0	656	370	2	0	2,472
Rural branch 2	3,748	1,847	409	656	171	2	0	6,833
Rural branch 3	9,043	1,722	409	1,444	143	2	0	12,763
Total	110,818	52,771	21,474	20,081	11,406	54	52	216,656

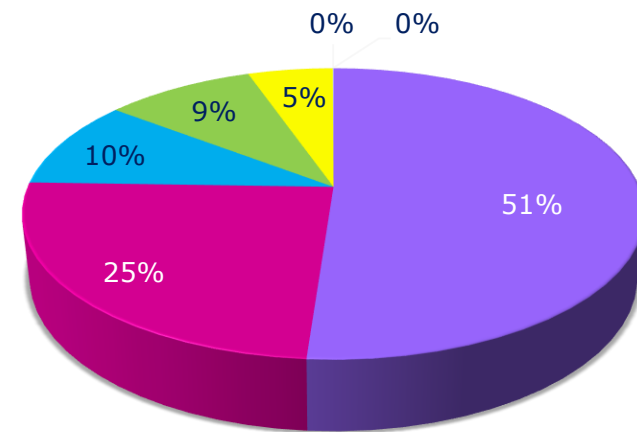
Distribution of emissions

Emissions per Branch



- Headquarters
- City branch 1
- City branch 2
- City branch 3
- Rural branch 1
- Rural branch 2
- Rural branch 3

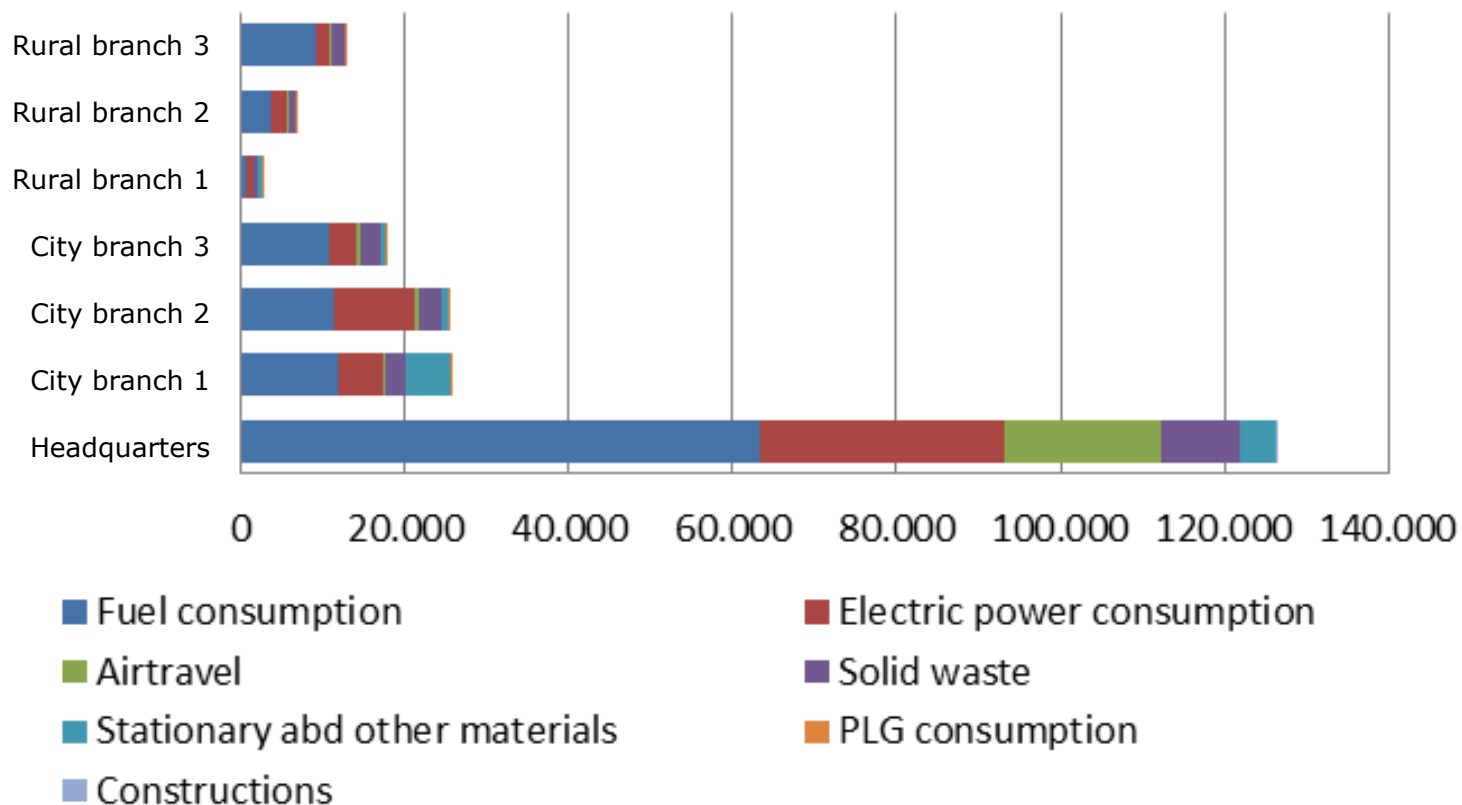
Emissions per Source



- Fuel consumption
- Electric power consumption
- Airtravel
- Solid waste
- Stationary and other materials
- PLG consumption
- Constructions

Distribution of emissions

Emissions per Branch and Source



Internal environmental policy

Frankfurt School advised the MFI to develop and implement a comprehensive internal environmental policy, which included:



Internal environmental policy

Key objectives of this policy were:

- **Improve** the institution's **environmental performance and the life quality** of its clients, staff and community
- Take into account environmental aspects within the institution to **reduce carbon footprint**
- Consider **environmental issues** in the process of **credit approval** and other operations
- Offer **financial products and services** looking to contribute to environmental care

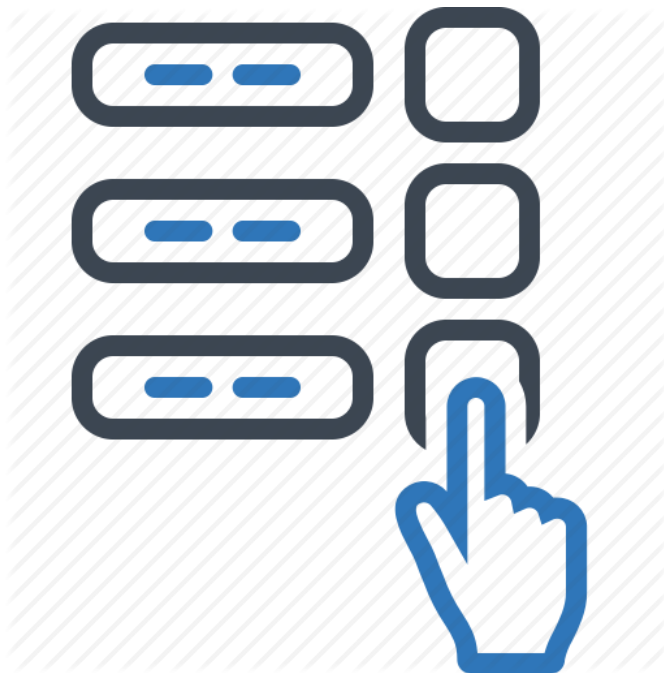
Tools for “Efficient use of resources”

Reduce, prevent and mitigate environmental impact by:

- Reducing the use of fossil combustion
- Carrying out preventive maintenance of equipment
- Saving energy and monitoring its use
- Saving and recycling of water
- Reducing the loss / use of materials and supplies
- Preventing unnecessary waste, control and recycling



Audience Poll



What is the most difficult area for your institution?

- A. To reduce consumption of electricity
- B. To reduce business travel
- C. To better manage waste
- D. To get the commitment of the staff
- E. To implement permanent monitoring
- F. To establish annual objectives and goals

Measures for reduction of GHG

Fuel consumption

- Replace old vehicles and, if possible, introduce technological change (i.e. gas, electricity)
- Optimize the use of vehicles (reduce and coordinate trips to share vehicles)



Potential economic savings

Convert fuel vehicles to Liquid Petroleum Gas (LPG) vehicles

Conversion of vehicles to LPG	Economic savings in fuel purchases (Bs)	Reduction of emissions/year (kg CO ₂ e)	% of total carbon footprint
20% of the vehicles of headquarters (1)	2,331.55	710	0.3%
60% of the vehicles of headquarters (3)	6,994.64	2,120	1.0%
100% of the vehicles of headquarters (5)	11,657.73	3,540	1.6%

Measures for reduction of GHG

Electricity consumption

- Energy-saving light bulbs;
- Utilize renewable energy (solar, wind);
- Energy saving modus;
- Replace old equipment;
- Turn-off power strips (or use smart power strips) and equipment when leaving your workplace; unplug devices when not in use;
- Certifications for office equipment (UE, Energy Star, FSC, others).



Potential economic savings

Exchange old with energy-saving light bulbs

Characteristic	Incandescent light bulb of 75 W	Compact Fluorescent Spotlight of 7 W	Compact Fluorescent Spotlight of 11 W	LED Spotlight of 2 W
Consumed potence (W)	75	7	11	2
Useful lifetime (hours)	1000	8000	8000	8000
Price of electric power (Bs./kWh)	0,6			
Purchase price (Bs.)	2,5	116	116	157
Operating costs (8000 h)	404	152	173	167
Economic savings		62%	57%	59%

Each kWh saved in electric power consumption, avoids the emission of around **0.6 kg CO₂**

Measures for reduction of GHG

Air Travel

- Increase the use of virtual meetings and video conferences;
- Develop a travel policy and limit trips to only the necessary;
- Use other, more friendly transportation means than aviation;
- If possible compensate emissions from trips taken.



Measures for reduction of GHG

Solid Waste

- Develop a waste management policy and a recycling plan:
 - Classify waste;
 - Special emphasis in the use of paper: reduce, reuse, recycle
 - Permanent communication, training and monitoring
- Commitment of the top management - **lead by example**



Measures for reduction of GHG

Others

- Turn down the thermostat for your heating and cooling system by 1°C in winter and up 1°C in summer;
- Check your building for drafts and poor insulation and fix those;
- Implement an energy and consumption of goods management programme;



All these changes add up to a major reduction in GHG emissions

Impact from the measures taken

Upon completion, the project impact was measured in the MFI taking into account 2 key dimensions: economic well-being of the target beneficiaries and carbon footprint of the institution.

With respect to the institution's carbon footprint:

GHG emissions diminished by 8% (11,600kg CO₂e)

Energy costs decreased by 8% (11,600kg CO₂e)

Q & A



Interested to learn more?

Additional Sources

1. GHG Protocol Calculation Tools – [link](#)
2. 101 Companies Committed to Reducing Their Carbon Footprint - [link](#)

Next Session

The second session from the series of EaSI Technical Assistance webinars on Green Finance at Microfinance Institutions:

- Climate Change – Business Opportunity for MFIs: 26 Sep 2019
- Greening MFIs – A case study: 16 October 2019
- **Green finance products - A case study: 14 November 2019 – [register here](#)**
- **Environmental & social risk management - A case study: 4 December 2019 – [register here](#)**

Please give us your feedback

Webinar Evaluation

<https://www.surveymonkey.de/r/SFQVB5X>



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For more information, about:

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easi.ta@fs.de

Ratings and Evaluations, contact:
easi.ta@mf-rating.com

The EaSI Programme, visit:
ec.europa.eu/social/microfinance

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