

How to mainstream environmental performance management?

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A new Dimension 7 in the Universal Standards



From USSPM... to USSEPM!



2012

2016

2022

v1 USSPM

v2 USSPM

v3 USSEPM



Optional in SPI4

Integrated as D7

GREEN INDEX 1.0

GREEN INDEX 2.0

GREEN INDEX 3.0



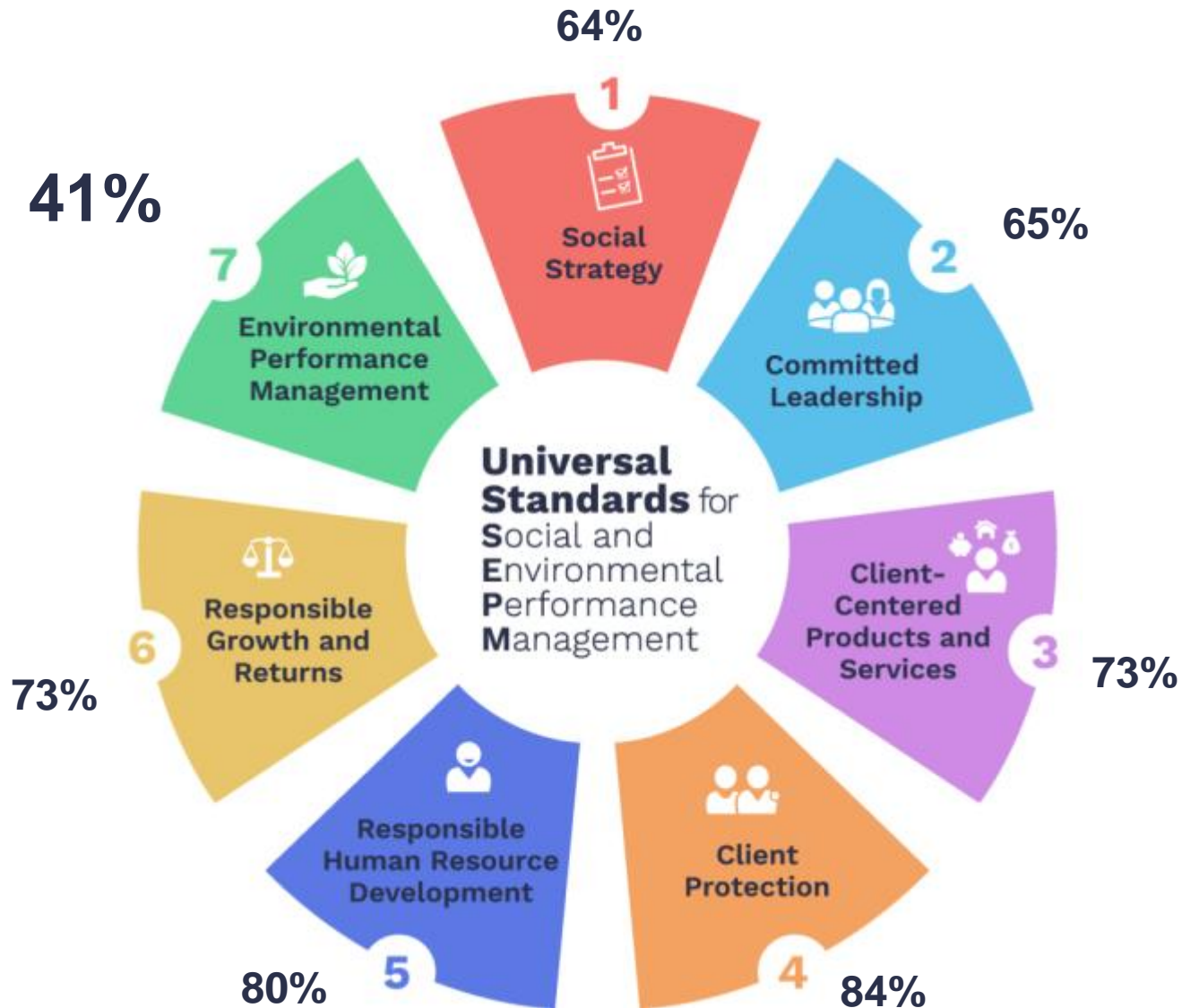
2014

2016

2020-21

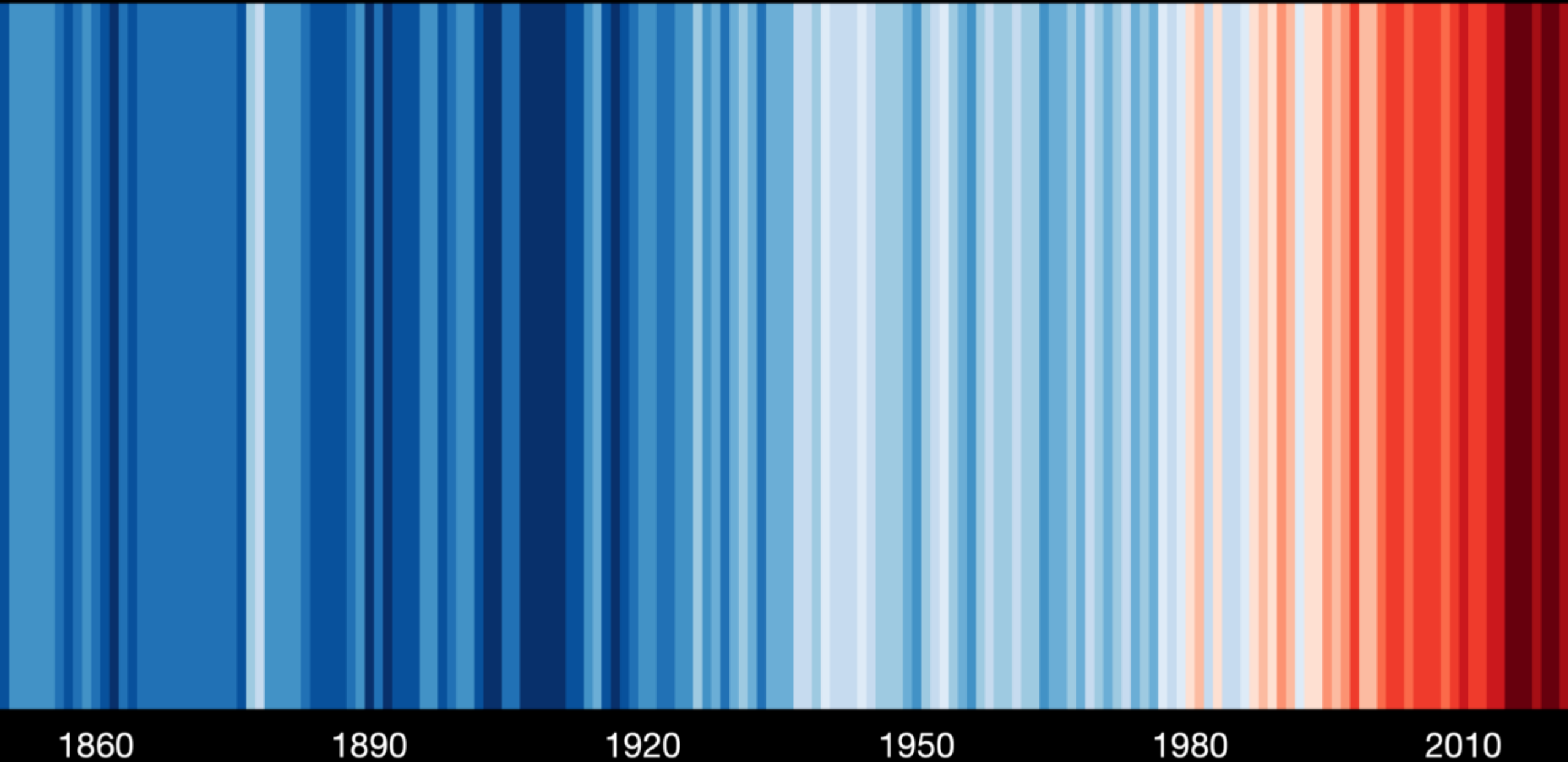


Average scores from SPI database



Sample: 167 Alinus 2021-22

Global temperature change (1850-2021)



How to mainstream environmental performance management?

WHY?

WHAT?

HOW?



Our speakers

- Christoph Jungfleisch, CEO and Founder of **YAPU Solutions**
- Julie Torres-Szantyr, Capacity-Building Manager, **SIDI**



1. Why shall we mainstream environmental performance management?

THE MOST VULNERABLE: 4 BILLION PEOPLE



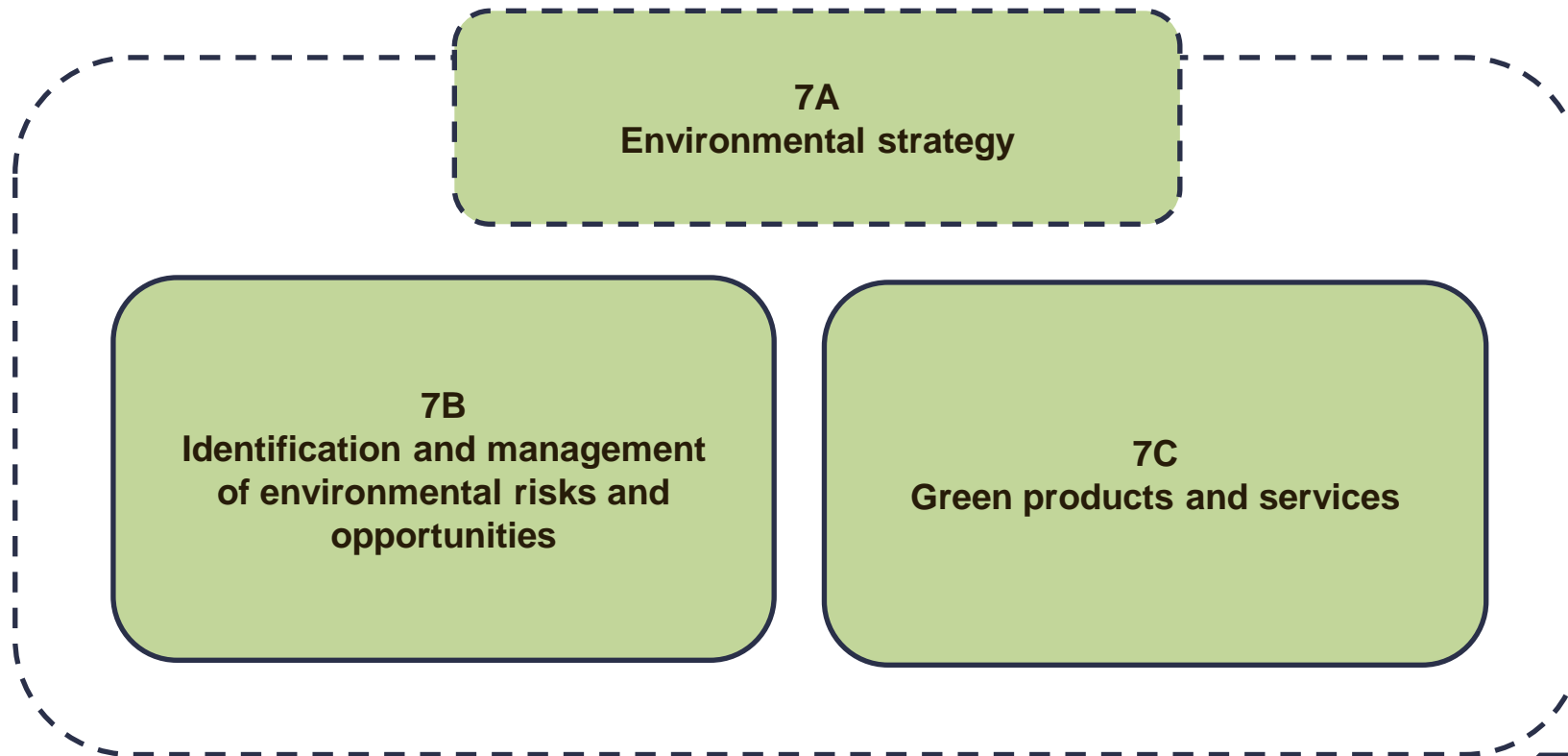
The least responsible – The most affected.



2. What do we mean by environmental performance management?

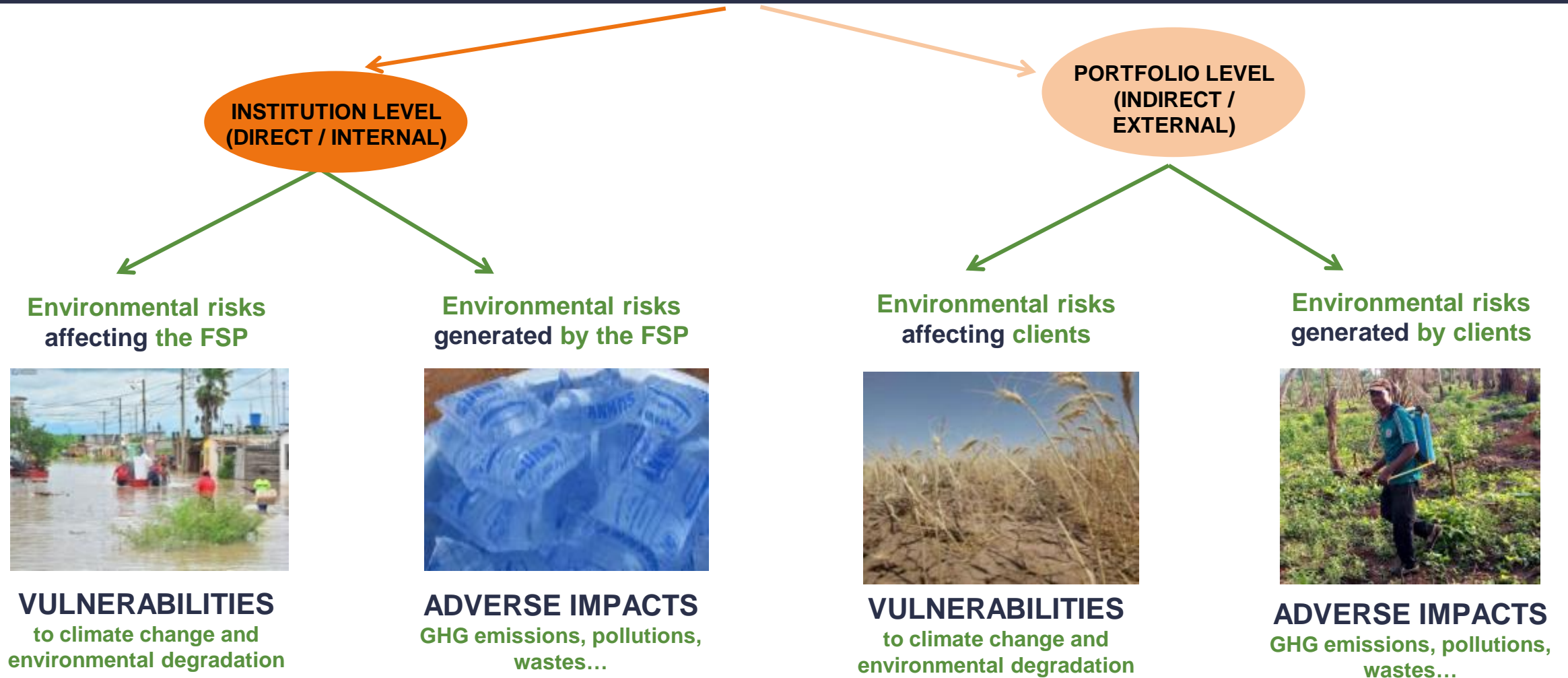
2. What do we mean by EPM?

Dimension 7 structure



2. What do we mean by EPM?

7B. THE PROVIDER IDENTIFIES AND MANAGES ENVIRONMENTAL RISKS AND OPPORTUNITIES



2. What do we mean by EPM?

Fully aligned standards



Assessment tools



New version in Q4

For FSP starting with Environmental Performance Management + integrating it into a broader SPM approach + willing to benchmark its performance against CERISE database



Green Index Online Tool: https://hedera.online/gicsf_ag_tools/green-index-digital.html
For MFIs willing to go more in-depth (detail-level)

3. How do we engage in environmental performance management?

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CODESARROLLO's Environmental strategy

Formalization and Achievements



How the Bank formalized its Environmental Strategy?

- 1998: Creation of CODESARROLLO, which goal is to serve the poorest, in particular through Local Financing Structures (COACs: Saving and Credit Coops)
- 2014: Transformation in a bank in order to offer more services to its beneficiaries
- 2016: SIDI became a shareholder of the Bank, owes 10% of the share capital and is represented on the Board of Directors
- 2018: Workshop to raise awareness among its COACs' clients on the challenges of Climate Finance
- 2019: Development of a tool to measure Social and Environmental Performance
- 2020: Online Training for COACs Board members, clients and loan officers on the causes and effects of Climate change



Achievements

- Annual Social and Environmental reports since 2019
- Internal achievements:
 - Waste production and treatment
 - Material recycling
 - Campaigns on Electricity, Water, Office materials consumption reduction
- External achievements: Since 2018, a specialized product named “Crédito Ecológico” is offered to finance Environment friendly activities, such as sustainable agricultural activities, food sovereignty, soil recovery, the use of alternative energy, etc.



Achievements – Crédito Ecológico

| | 2019 | 2020 | 2021 |
|---------------------------|---------|-----------|-----------|
| Agriculture and livestock | 730 413 | 557 514 | 3 440 223 |
| Environmental research | 38 009 | 117 507 | 102 754 |
| Wastewater management | 53 785 | 27 397 | 52 370 |
| Waste management | 127 466 | 201 816 | 356 921 |
| Efficient energy use | 42 300 | 318 217 | 371 850 |
| USD | 991 973 | 1 222 451 | 4 324 118 |
| number of credits | 140 | 241 | 295 |

- A product which benefits from specialized technical assistance for the development of the activity, and from preferential conditions regarding interest rates, amount and length of the credit

UBTEC's contribution to Ecological change





Training on Ecological Change from the **MAIN** network



- Enabled UBTEC to enrich its knowledge of Ecological Change, to diversify its actions from agroecological practices to the use of renewal energies

Achievements and Lessons learnt

- Reduction by over 60% of the use of chemical fertilizers, use of organic inputs by the farmers
- Importance of non financial assistance, of training the farmers on agroecological techniques and of Exchanges Field trips among members
- Challenges: Follow-up with the current MIS

3. How do we engage in environmental performance management?

YANPU

YAPU

SMART FINANCE. PEOPLE FIRST.



DIGITAL RESILIENCE FINANCE FOR THE MOST VULNERABLE



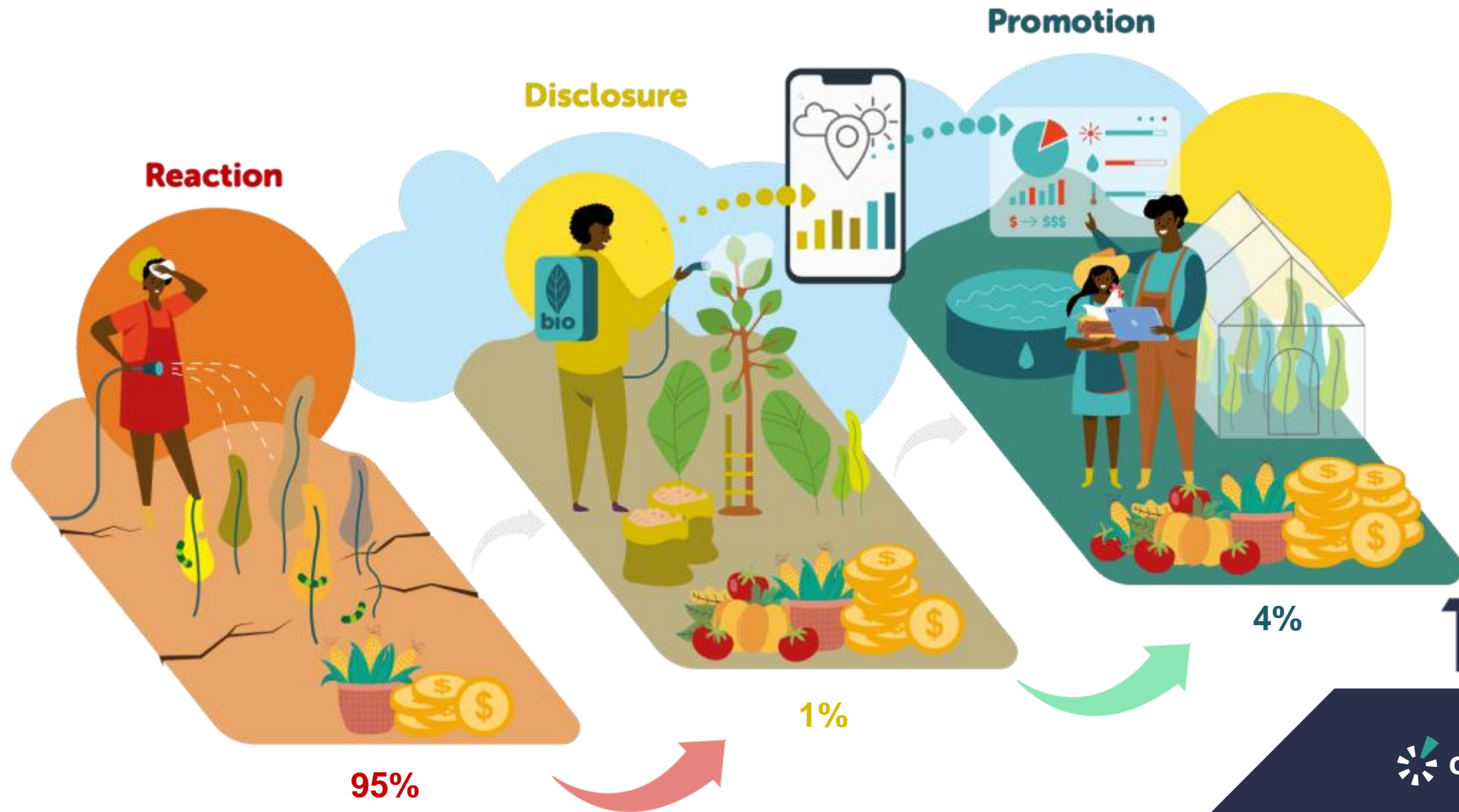
RESILIENCE: HIGHLY SITE-SPECIFIC CONTEXT

CLIMATE RESILIENCE = EXPOSURE + SENSITIVITY – ADAPTIVE CAPACITY



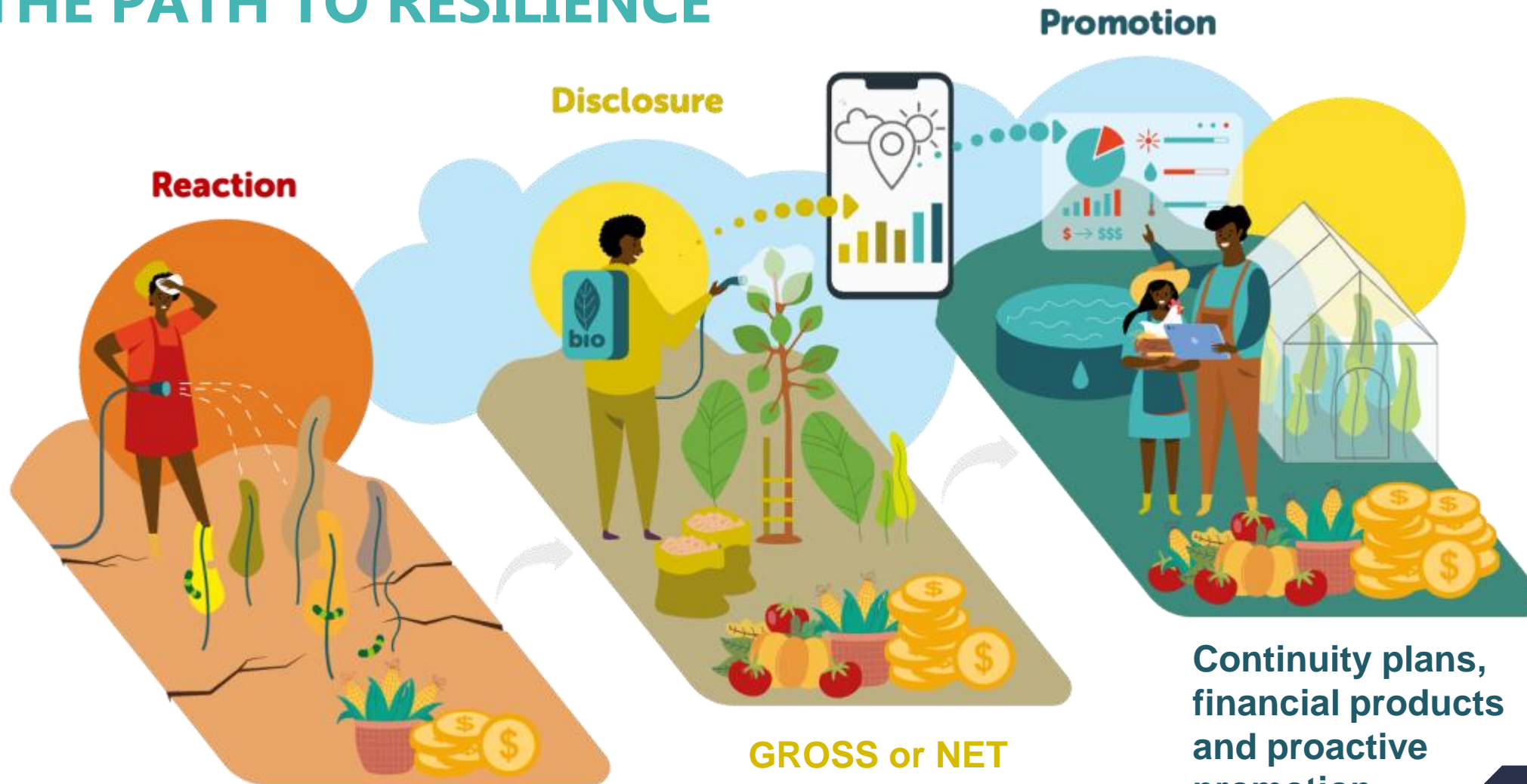
GRADUATION MODEL FOR FINANCIAL INSTITUTIONS

THE PATH TO RESILIENCE



GRADUATION MODEL FOR FINANCIAL INSTITUTIONS

THE PATH TO RESILIENCE



**GROSS or NET
climate risk**

**Continuity plans,
financial products
and proactive
promotion**



OUR PLATFORM



- **GATHER, PROCESS AND ANALYZE DATA – CENTRALLY.**
- **ENGAGE IN RESILIENCE LEARNING – CONTINUOUSLY.**

DIGITAL RESILIENCE FINANCE



IMPACT TRANSPARENTLY DISCLOSED FOR EACH TRANSACTION:



Financial



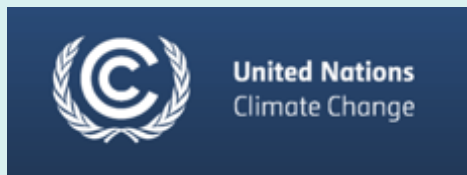
Environmental



Social



SCALE FOR RESILIENCE



JOIN S4R TO GET STARTED ON RESILIENCE FINANCE!



Case study: ASEI / El Salvador



SUCCESS CASE: ASEI, EL SALVADOR



General

- 6 provinces
- 24k clients
- USD 15m loan portfolio
- PAR30 3.03%

Under Scale for Resilience

- Stage 4 on the Path to Resilience
- 4000+ resilience loans for USD 1.6m
- This equals 10.5% of portfolio
- PAR30 0.55%
- Women: 68%



ASEI, EL SALVADOR



Non-financial services

- Regular awareness raising events
- Information services for climate solutions
- Environmental school for clients (future: virtual academy)



Resilience finance

- Focus on organic agriculture, crop diversification, integrated pest management
- 93% agriculture, 7% animal husbandry



ASEI IMPRESSIONS



Some resources to go further

- [Universal Standards for Social and Environmental Performance Management \(USSEPM\)](#)
- [SPTF Resource Center on Dimension 7](#)
- [CERISE publications – Environmental Performance Management in Practice](#)
- [SPI online](#)
- [Resources from the Green Inclusive and Climate-Smart Finance Action Group \(GICSF\) of e-MFP](#)
- Cerise+SPTF e-learning courses (to come)



Q&A



To conclude



Thank you!

