

GREEN INCLUSIVE FINANCE

Case Studies Series on Essential Practices

Essential Practice No.8:

Offering green non-financial products and services



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About the Green Essential Practices Case Studies Series

The “Green Essential Practices Case Studies Series” highlights the experience of Financial Service Providers (FSPs) with good practices in the 8 key areas identified in the Green Index 3.0.¹ The Case Studies under this series offer practical examples of how an FSP developed its practices to inspire and facilitate the journey of others.

The **8 Green Essential Practices (EPs)** provide a roadmap for FSPs to maximise their green impact:

- **EP1:** Define their environmental strategy
- **EP2:** Implement their environmental strategy
- **EP3:** Identify client or portfolio-level environmental risks and opportunities
- **EP4:** Identify institutional-level environmental risks and opportunities
- **EP5:** Manage client or portfolio-level environmental risks and opportunities
- **EP6:** Manage institutional-level environmental risks and opportunities
- **EP7:** Offer green financial products and services
- **EP8:** Offer green non-financial products and services



Each Case Study in the series follows the same structure:

1. **Background** of the FSP and the context in which it operates.
2. **Evidence** of how the FSP is demonstrating good performance in the Essential Practice that is being highlighted. This is the main section of the Case Study and offers – as relevant – a review of what has enabled the FSP to reach its results, and what these results are:
 - *Capacity:* how did the FSP acquire the capacity to implement the activities needed? (e.g., internal training, training through external partnerships, technical assistance, financial support, etc.)

¹ For more details about the Green Index 3.0, refer to these links: https://www.e-mfp.eu/sites/default/files/resources/2022/11/Green%20Index%203.0_final.pdf and https://hedera.online/gicsf_ag_tools/green-index-digital.html

- *Tools*: which tools did the FSP use to implement the needed activities? (e.g., indicators, documents, materials, IT solutions, etc.)
 - *Outreach*: what were the FSPs' quantitative results? (e.g., outreach, implementation status, etc.)
3. The FSP's **journey** to implement the identified good practice, and lessons learned.
 4. The FSP's **next steps** – if any – to continue to improve in this area.

Green Essential Practice No. 8 (EP8): Offer green non-financial products and services

In **Green Essential Practice No. 8 (EP8)**, the focus is on offering green non-financial products and services:

- The FSP helps clients identify environmental risks and opportunities that affect them.
- The FSP helps its clients manage their environmental risks and leverage green opportunities.
- In order to do that, the FSP uses a variety of methods to raise awareness and diverse delivery models and activities to help clients manage risks.
- The FSP has developed the capacities of its staff so that it can support clients as mentioned above. It engages in a range of staff capacity building activities.
- The institution (alone or through its partners) applies specific green support procedures or tools when providing green support to clients.

The FSPs highlighted in Case Studies on Green **Essential Practice No. 8 (EP8)** demonstrate good practices in offering green non-financial products and services.

EP8: Offer green non-financial products and services at ASKI

A. Background

About ASKI

ASKI was created in October 1986, in a year where unemployment and poverty were widespread because of political issues and transition of leadership in the Philippines. After 36 years, ASKI has achieved great milestones and overcome significant challenges in its journey.

ASKI is a non-stock, non-profit organization registered at the Securities and Exchange Commission (SEC) and under the Microfinance NGO Regulatory Council (MNRC) of the Philippines. As of February 2023, the institution has a total portfolio of over USD 33 million, with 90 branches operating in the Central and Northern parts of the Philippines. It serves close to 134,000 microfinance clients and insures more than 223,000 members of the ASKI and their families through ASKI Mutual Benefit Association.

Most of ASKI clients come from rural areas (86.57% as of February 2023). Minority groups represent 14% of its total client base with the following breakdown: 11% displaced workers, 2% indigenous people and 1% fisher folk.

Environmental sustainability is embedded in the organization's DNA. ASKI's green agenda started in 2010 with an annual budget of EUR 143,000 set aside for its implementation. ASKI has partnered with companies like the Hybrid Social Solutions² and Power for All³ in order to engage in knowledge sharing and networking, and to access green technologies. It has also partnered with numerous organizations to offer green non-financial products and services, as detailed later in this paper.

Climate change is very real in the Philippines. Being a typhoon-prone country, people have become well-acquainted with natural disasters. And this is the reason why ASKI is working even in its modest capacity to help mitigate the effects of climate change among the grassroots sector who are the most vulnerable.

What context does ASKI operate in?

According to some reports⁴, the Philippines is one of the "world's most climate-vulnerable countries because of its high exposure to natural hazards, dependence on climate-sensitive natural resources, and vast coastlines."

At the COP26 meeting in Glasgow in November 2021, a senior Philippine government official revealed that "the Philippines account only for three-tenths of one percent of total greenhouse gas emissions. Yet, we bear the brunt of the consequences of climate change. Our country is sinking at a rate four times faster than the global average. Annually, we are confronted with increasingly severe typhoons, floods, and droughts. Millions of lives are at stake."⁵

Earlier in 2016, the Microfinance Council of the Philippines, Inc. (MCPI) adopted Green Inclusive Finance (GIF) as one of the main components of the institutional strengthening program. A comprehensive training on green microfinance is being offered as a flagship capacity-building program for MCPI members (including ASKI) that are interested in implementing clean energy projects. A project under the GIF is being implemented in partnership with ADA and supported by the "Ministère du Développement Durable et des Infrastructures (MDDI)"⁶ of the Luxembourg Government.

² [Hybrid Social Solutions \(HSSI\) | World Economic Forum \(weforum.org\)](#)

³ [Power for All](#)

⁴ [The Philippines: Leading the Way In the Climate Fight | The Climate Reality Project](#)

⁵ [Philippines - High-level Segment Statement COP 26 \(unfccc.int\)](#)

⁶ In English: The Ministry of Sustainable Development and Infrastructure.

The project tracks three key result areas: (i) The capacity of MFIs to provide green and renewable energy products is strengthened through comprehensive training on green inclusive finance; (ii) Selected MFIs have a well-defined strategy in place for piloting their green products and services. MCPI will conduct the coaching and mentoring; (iii) Green microfinance products are successfully tested by selected MFIs under MCPI's supervision.

MCPI is playing an essential role to strengthen the Philippines microfinance sector to support the green ecosystem. Overall, 20 MFIs took part in a training course on green finance products. Of these 20 MFIs, five MFIs (including ASKI) received technical assistance to develop loans coupled with technical solutions to access renewable energies and improve energy efficiency.

B. Essential Practice No.8 at ASKI

ASKI's experience demonstrates how financial and non-financial products are linked. ASKI offers a comprehensive suite of green financial products, and these are complemented, enhanced, and supported by its non-financial activities (i.e., technical assistance, trainings, and awareness events).

Over the years, ASKI has initiated **non-financial services aimed at protecting the environment**, such as tree planting, training on upcycling of fabric scraps, waste segregation, etc. The institution mitigates its impact on climate change practicing the 3Rs- Reduce, Reuse and Recycle at the headquarters and branches, reducing the water and electricity consumption through various austerity measures. In the energy sector, ASKI promotes and uses renewable energy products like solar lamps among microenterprises and offices, promoting solar home systems and solar irrigation. Moreover, ASKI is committed to mitigate climate change effects implementing the exclusion list policy describing businesses that are harmful to the environment and cannot be financed by ASKI.

In 2013, ASKI participated in the **Energy Inclusion Initiative (EII)**⁷, a joint project of the Microfinance Council of the Philippines, Inc. (MCPI)⁸ – the local microfinance association, Appui au Développement Autonome (ADA)⁹ in Luxembourg, Frankfurt School and Micro Energy International¹⁰ to help improve the socio-economic status of marginalized sectors through the responsible, efficient, and effective use of energy. The initiative provided the pilot MFIs with technical assistance and expertise to support them in building an infrastructure to sustainably extend loans for relevant renewable/clean energy solutions to their clients. The support for the pilot included client energy needs assessment, technology/supplier assessment, product selection, energy loan product design, business development, implementation, and evaluation. Joining the project was a manifestation of ASKI's commitment to environment sustainability and is linked to ASKI's contribution to the United Nations-backed Sustainable Development Goals (SDGs), specifically on Affordable and Clean Energy (SDG 7) and Climate Action (SDG 13).

ASKI's Green Energy Program, launched in 2013, regroups ASKI's green activities. It is implemented by ASKI Microfinance and ASKI Multipurpose Cooperative and as of December 2022, had a total portfolio of about EUR 117,000 (EUR 39,000 for ASKI Microfinance and EUR 78,000 for ASKI Multipurpose Cooperative). During 2022, the program was also supported by the Standard Chartered Bank (SCB), which provided women-led microenterprises (affected the most by the global pandemic) with solar panels to help them run their businesses and built their resilience. Seeing the impact of their support, SCB is continuing the program in the period 2023-2025, targeting women-youth microenterprises in the second phase of the implementation by providing them technical assistance. Examples of the success stories of ASKI's green energy adopters in partnership with SCB can be viewed in this [client story video](#). There are still many

⁷ [Going Green: The Energy Inclusion Initiative \(microfinancecouncil.org\)](https://microfinancecouncil.org/)

⁸ [Microfinance Council of the Philippines](#)

⁹ [ADA - Appui au développement autonome \(ada-microfinance.org\)](https://ada-microfinance.org/)

¹⁰ [Climate & Sustainable Energy Finance | Frankfurt School \(frankfurt-school.de\)](https://frankfurt-school.de/)

early adopters that are now enjoying the benefits of solar technology while contributing to the environment.

Similarly, in partnership with Oikocredit, ASKI co-authored the **12 Steps to Resiliency: A Guidebook on Disaster Risk Reduction and Business Continuity Planning for Microfinance Institutions**¹¹ fulfilling its role as a social development organization focusing on building resilient communities. ASKI has also partnered with companies like Hybrid Social Solutions and Power for All in order to engage in knowledge-sharing and networking, and to gain access to green technologies. Through this partnership, several activities were initiated, such as promotional events to incentivize people to care about climate change, the establishment of adaptive strategies to reduce the impacts of environmental risks to both clients and the organization, and the extension of various support actions to poor families and sectors preparing them to respond to climate change.

Another green non-financial activity of ASKI involved communicating on **Disaster Risk Reduction and Management (DRRM)** to vulnerable clients and groups. ASKI arranged, organized, and implemented this activity in its areas of operation. The major objectives included reducing clients' and communities' vulnerability to the impact of changing climate; increasing their capacity to withstand climate variability; and increasing their adaptive capacities to extreme climatic events. ASKI envisions that the whole community it works with will go beyond being a "disaster survivor or a victim" to being an "assertive individual, sector or institution".

Within the green energy initiatives, ASKI is considering using the mobile application Solarman Business¹² to monitor impact. The software "provides data of plant asset's real-time and history data, power generation curve to evaluate system value real-time and precisely. Orientation trainings and after-sales service for clients are included to ensure the proper and long-term use of the technology.

ASKI also implements programs in **Water Sanitation and Hygiene (WASH)**:

- **Water Program:** In the capacity-building activities within the "Rehabilitation and Development of a Water System" program, ASKI provides several services to the beneficiaries: organizational development, empowerment of existing groups of clients, revision of Vision/Mission/Goals, and strict implementation of by-laws. During its initial run, the project benefited 40 households in the same village with the creation of a new water system. The beneficiaries were trained in simple bookkeeping and given orientation on WASH and microfinance loan products. The project is run in cooperation with the Palayan City Water District who provides technical assistance and pipes (in-kind donation) during the installation and period of the program. A total of 54 households and the students from the Senior High School of Dona Josefa, which has 188 students, are benefiting from the trainings and awareness-raising events.
- **Sanitation project:** In the "Provision of Toilet Facilities" program, ASKI has organized several capacity building trainings (organizational development and leadership trainings) in Barangay Kinalanguyan, Talavera, and Nueva Ecija. A total of 10 beneficiaries have been formed into a group and provided with orientation on WASH, microfinance loan products and in general on how to organize themselves to develop plans and take collective actions for their welfare.

Finally, ASKI is placing substantial efforts into education, through the ASKI Skills and Knowledge Institute Inc., that offers Junior and Senior High School and technical-vocational courses, and the ASKI School of Knowledge, Inc. that caters to children from poor families by providing them with formal education to develop their academic and social foundation. ASKI School has been conducting environmental, feeding, health and hygiene, and livelihood training programs for parents. In 2021, 50 parents participated in

¹¹ <https://www.oikocredit.coop/l/en/library/download/urn:uuid:0139bad0-7b47-48a0-b0f0-df750b4f1e50/12+steps+to+resiliency+guidebook.pdf>.

¹² [SOLARMAN Business | PV Monitoring Software - SOLARMAN \(solarmanpv.com\)](#)

different activities, including the School Disaster & Risk Reduction Management Seminar and an awareness-raising campaign on how to start a vegetable garden at home.

C. ASKI's journey with Green Essential Practice No.8

Community participation in the actual implementation and use of green practices and technologies has been the key to ASKI's success since the inception of its green strategy: from awareness-raising of its clients on their vulnerability to climate change to facilitating trainings and offering capacity building assistance. Examples of the areas that worked well in the implementation of the green strategy include having a capable technology officer that made pilot testing successful, diversifying loan products to include asset-based financing and ensure that the loan was fully utilized for its intended use, having replacement products readily available at the branch level, processing warranty claims immediately, and having an affordable pricing scheme, making it more accessible and affordable to the people in the rural communities.

Despite the fact that ASKI has been implementing an environment-related program in the past years and being one of the finalists of the European Microfinance Award 2019 on 'Strengthening Resilience to Climate Change', funding support remains a challenge. ASKI is continuously looking for financial institutions with an interest in green climate finance to scale-up and expand its Green Energy Program. ASKI have overcome this funding constraint by currently relying heavily on internal funding.

An important lesson from ASKI to other FSPs looking to improve their green performance is that capacity building and trainings are at the core of implementing or maintaining green practices and developing green programs that can make a real social impact on the beneficiaries. The forefront of ASKI's green strategy is capacity development, at staff and client level, with the provision of non-financial services and products at the core of its operations.

D. What's next?

ASKI is working towards the Certification Version 2.0 of the Sustainability Standards and Certification Initiative (SSCI)¹³, an initiative under the European Organization for Sustainable Development (EOSD) based in Germany. Environment Sustainability is one of the components of the Certification. The SSCI is the world's most comprehensive sustainability metrics for financial institutions and "provides an all-encompassing framework for holistic integration of sustainability to drive innovation in the organizational culture".

ASKI Founder and President and Council Member Rolando B. Victoria said "the SSCI Version 2.0 is a more comprehensive standards which will help ASKI in innovating to respond to the fast-changing world and ensure its long-term sustainability and ultimately contributing to the global Sustainable Development Goals (SDGs) and the country's AmbisyonNatin2040¹⁴."

Moving forward, ASKI will scale-up the implementation of the Green Energy Program in other areas of its operation. It plans to: (i) Scale-up and continuous implementation of hybrid solar systems, solar products for business and households; (ii) Promote solar water pumps for the agricultural sector; and (iii) Promote solar products for fishery communities. It also plans to create more awareness campaigns on the importance of renewable energy through various platforms/channels (i.e., social media accounts) and to partner with like-minded institutions in the Philippines and abroad in the implementation of the program.

¹³ [EOSD » DFI 4.0 | Creating 4th Generation National DFIs](#)

¹⁴ [AmBisyon Natin 2040 – The Philippines in 2040. A prosperous, middle-class society where no one is poor A healthy and resilient society A smart and innovative society A high-trust society. \(neda.gov.ph\)](#)

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Learn more

For more information about ASKI's environmental journey, we invite you to check the following resources:

- ASKI's websites:
 - [ASKI Group of Companies Inc.](#)
 - ASKI Microfinance
 - [ASKI Mutual Benefit Association](#)
- Contact information: Erwin Embuscado, Head of Resource Mobilization and Corporate Communications, erwin.embuscado@aski.com.ph

For more information about the Essential Practices, we invite you to check the [Green Index 3.0](#).

Contribute

We encourage you to take an active part in building the pool of resources available on good environmental practices.

If you are interested to **contribute to the Green Essential Practices Case Studies Series or the Green Map**, we invite you to contact Joana Afonso at European Microfinance Platform (e-MFP) at jafonso@e-mfp.eu.

The e-MFP Green Inclusive and Climate Smart Finance Action Group (GICSF-AG)

The e-MFP Green Inclusive and Climate Smart Finance Action Group (GICSF-AG) is a unique multi-stakeholder think tank that brings together inclusive finance practitioners and researchers to enhance cooperation, exchange experiences and find a common path to deal with environmental issues, improve knowledge and disseminate findings, seize green opportunities and co-create common standards for the inclusive finance sector and new practical tools to advance green inclusive and climate smart finance. Created in 2013, today it counts today more than 150 members affiliated to more than 75 institutions worldwide and represents the majority of sector stakeholders.

The European Microfinance Platform (e-MFP)

The European Microfinance Platform (e-MFP) is the leading network of organisations and individuals active in the financial inclusion sector in developing countries. It numbers over 130 members from all geographic regions and specialisations of the microfinance community, including consultants & support service providers, investors, FSPs, multilateral & national development agencies, NGOs and researchers. Up to two billion people remain financially excluded. To address this, the Platform seeks to promote co-operation, dialogue and innovation among these diverse stakeholders working in developing countries. e-MFP fosters activities which increase global access to affordable, quality sustainable and inclusive financial services for the un(der)banked by driving knowledge-sharing, partnership development and innovation. The Platform achieves this through its numerous year-round expert Action Groups, the annual European Microfinance Week which attracts over 400 top stakeholders representing dozens of countries from the sector, the prestigious annual European Microfinance Award, and its many and regular publications.

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