

Amplifying the environment in the Universal Standards

Green Standards need more attention

The Universal Standards were launched in 2012, with very few standards related to the environment. The collective decision at the time was that ‘green’ standards could not yet be considered as ‘universal’—i.e. relevant for **all** financial service providers.

The environmental perspective was nevertheless integrated into the SPI4,¹ and many FSPs have been reporting on their environmental practices for the past several years.

Much has changed since 2012 and there is broad agreement that **this is the year to strengthen the Universal Standards’ content related to environmental impact**. There are three main reasons for this:

1. 2020 is the year SPTF and CERISE are undertaking our **periodic review** of the Universal Standards. We do this every few years, to maintain relevance.
2. There is growing urgency to tackle environmental and climate-related challenges.
3. We have several years of SPI4 data to inform us about what changes we can make to the Universal Standards.

Our targets for 2020

By the end of 2020, we want to submit to the SPTF Standard Revision Committee a proposal for Green or Climate related standards—with essential practices and indicators that have been vetted and tested by the market. To do this, we need to:

- Analyze the current experience with the SPI Green Index 2.0 (analyze the database, who is using, what profiles, what scores): objective is to assess if the Index is adapted to the field.
- Evaluate the current state of taxonomy, definitions, areas, topics
- Identify if and what changes or complements could be applied to the current level of indicators
- Pilot test any new standards through surveys, working groups, webinars and among stakeholders – FSPs, banks, investors, networks
- Potentially to come up with standards that are differentiated by institution type. For example, banks would be held to a higher standard than MFIs.

¹ In 2014, The e-MFP Environment Action Group (including ADA, PAMIGA CERMi and CERISE as well as other partners) developed a practical tool to assess the environmental performance of a microfinance institution. This tool, later updated to the 4-dimensional Green Index 2.0, became an optional module in the SPI4 evaluation for financial service providers (FSPs) and the investor-used ALINUS tool.