

An aerial photograph of a rugged coastline. The water is a vibrant turquoise color, contrasting with the dark, jagged rocks of the shore. The rocks are in various shades of grey, black, and brown, with some patches of green and purple. The overall scene is a mix of natural textures and colors.

Technical Proposal

SOCIAL & ENVIRONMENTAL RATING

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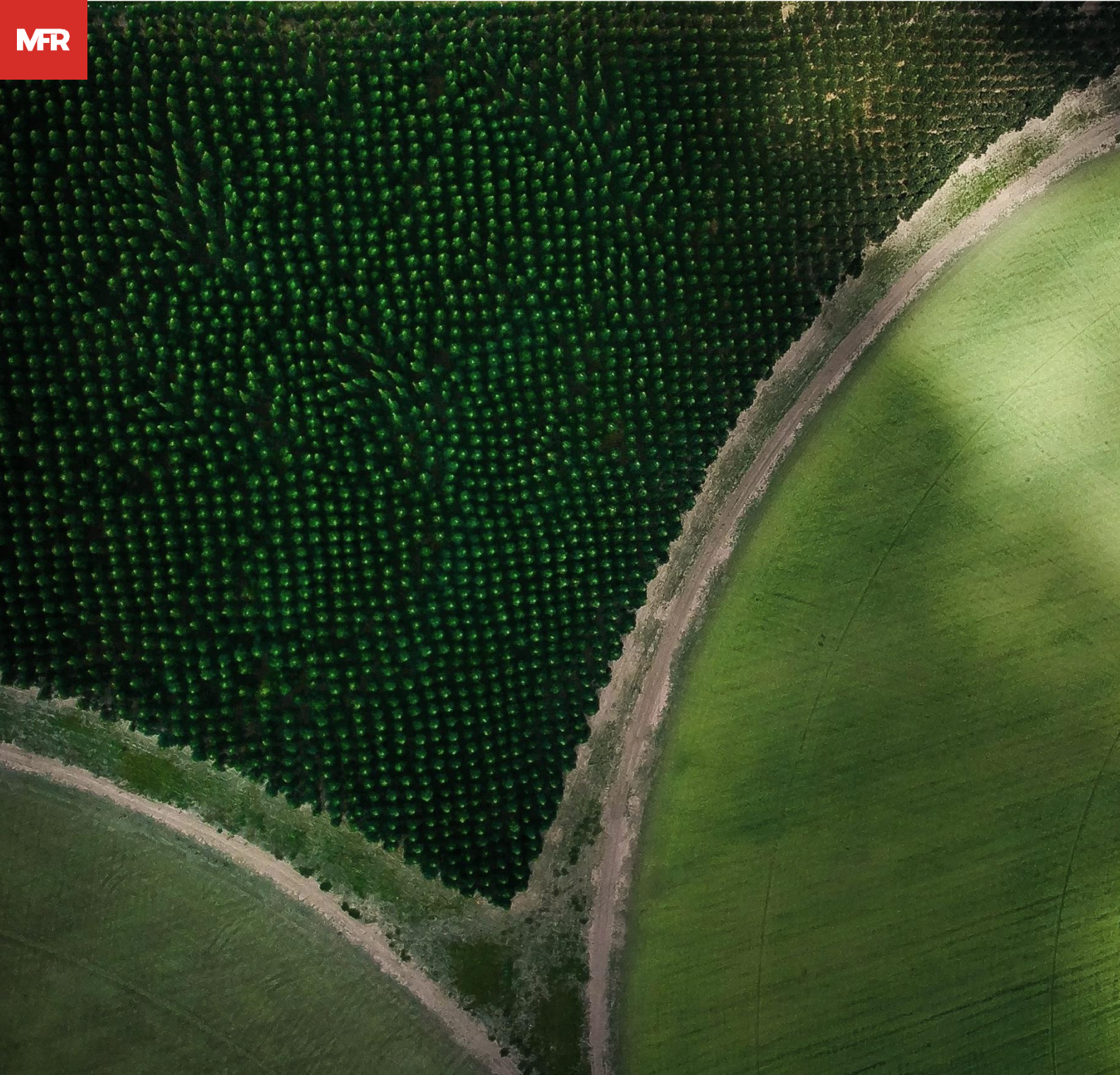
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Company Profile

We are the leading international rating agency specialized in inclusive and sustainable finance.

Company Profile

We believe in a transparent and sustainable future, where capital combines with purpose. Our mission is to generate independent opinions for the sustainable finance industry, based on verified information, to foster responsible investments.

MFR is a global rating agency, providing assessments, data and technical expertise for the sustainable finance industry. Created in 2000 as a dedicated department of Microfinanza SRL, MFR was spun off as an independent Limited Liability Company in 2006.

Headquartered in Italy, MFR operates through a network of 5 regional offices (Ecuador, Mexico, Kenya, Kyrgyz Republic, and the Philippines) and 1 country office (Bolivia) across 4 continents, boasting the **largest global geographical coverage** among specialized rating agencies.

MFR leverages on a **well-founded credibility**. MFR was the first specialized rating agency to be licensed by a Supervisory Authority to carry out mandatory ratings (2007, in Ecuador) and it is currently the only one to be licensed in 2 countries (since 2014, also in Bolivia).

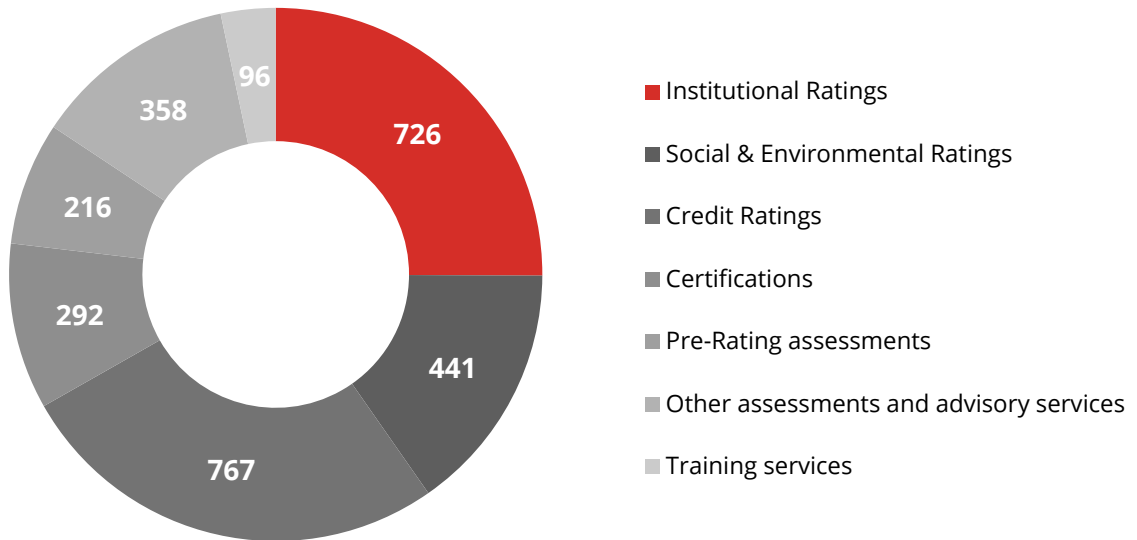
Over the years, MFR has been accredited by 2 global rating funds (RF I) and initiatives (Rating Initiative), and a number of regional funds (e.g. Latin America RF II, Moroccan APP) and initiatives (e.g. European Jasmine Initiative, EASI).

MFR is licensed by	To conduct
Ecuador Regulators (SBS, SEPS & SC)	Credit Rating of regulated financial institutions (FIs) and Issuance Rating
Bolivia Regulator (ASFI)	Credit Rating, Social Rating and Issuance Rating of regulated FIs
MFR is registered with	As
Philippines local central bank	Microfinance Institutions Rating Agency (MIRA)
MFR is accredited by	To conduct
Smart Campaign/SPTF+CERISE	Client Protection Certification of FIs
European Commission	European Code of Good Conduct
Truelift	Truelift Assessment of FIs
CERISE+SPTF	SPI4 and SPI4 Alinus Social audits
MFX/DFC	Rating of MSME funds, clean energy (PAYGO) funds, agricultural funds and housing funds
GOGLA	Consumer Protection Assessment of Off-grid Solar Companies

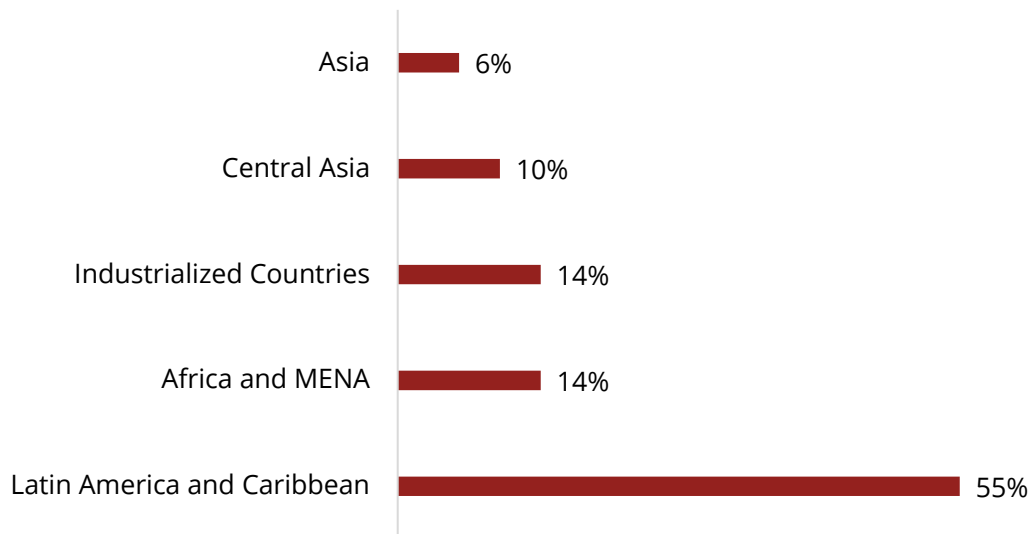
Its credibility and technical expertise are further proven by the **relations and partnerships** established with some of the leading private social investors and fund managers (e.g. ADA, responsAbility, OikoCredit, Blue Orchard, Incofin, Triple Jump, Symbiotics, Triodos etc.), DFIs (e.g. KfW, EBRD, EIB, IFC/WB, IFAD, FMO, IADB, UNDP/UNCDF, USAid, OPIC, AfD, CDC Group, etc.), and specialized hedging funds (e.g. TCX, MFX).

MFR has conducted **2,800+ assignments in 110+ countries worldwide** and holds **>70% of the global market share***.

Product diversification



Global outreach



* Number ratings and certifications conducted by MFR / total number ratings and certifications known to have been conducted by all rating agencies specialized in inclusive finance from 2014 to 2021



Technical Proposal

Our products have been designed to satisfy our clients' different needs

Technical Proposal

Social & Environmental Rating (SER)

The Social & Environmental Rating provides an opinion on the capacity of a financial institution to put its mission into practice and achieve its social and environmental goals, through an independent assessment of its social and environmental performance.

Our proprietary rating methodology

- Is fully aligned with the **Universal Standards of Social and Environmental Performance Management Standards (USSEPM)** as defined by the Social Performance Task Force (SPTF) and the **Universal Standards of Client Protection** as defined by Cerise and SPTF.
- Features a **comprehensive reporting** with customized explanation of the Social & Environmental rating findings to ensure full understanding of the social and environmental performance strength and challenges and to support the final grade.
- Provides an external validation of the implementation of the **Universal Standards of Social and Environmental Performance Management (USSEPM)**, helping the institution improve its social and environmental performance management systems, and indicates the efforts required to achieve the Client Protection Certification (CPC).
- Measures **social results** in terms of outreach and quality of the services, including an analysis of data available at institutional level. Possibility to include a dedicated survey and focus group discussions (FGDs) administrated to a representative sample of clients.
- Can be easily combined with **additional services** including:
 - i) Add-on **survey of clients** and **focus group discussions** to measures the outreach and quality of the service at the client level.
 - ii) **Client outcome** measurement to obtain indicators of the change in client lives from the MIS, loan files and an ad-hoc survey of clients.
 - iii) Development of a **social and environmental roadmap** based on the detailed findings of the Social & Environmental rating to guide FIs in improving their social and environmental performance management systems.
 - iv) **SPI4**.

The graphic below shows the framework of the Social & Environmental Rating including areas of analysis. More details about the rating indicators per sub-area are provided in the next graphic:



The table provides details on the Social & Environmental Rating methodology by showing the indicators per each sub-area and their relative weight. The sub-areas indicated with the symbol ★ are aligned with the [Universal Standards of Social and Environmental Performance Management of Cerise+SPTF](#) and those with the symbol ★★ with the [Universal Standards of Client ProtectionP](#).

Social and Environmental Performance Management Systems		28%
<ul style="list-style-type: none"> ▪ Mission, Governance and Strategy ★ ▪ Social and Financial Balance ★ ▪ Tracking and Monitoring System ★ ▪ HR alignment to the Mission ★ 	<p>The social and environmental performance management systems of the financial institution are evaluated considering all the actors and functions that contribute to their implementation within the organization. The mission statement is analysed to determine its completeness and reflection of the institutional intentions.</p> <p>Governance social and environmental commitment, guidance and supervision is placed under scrutiny to verify adherence to the mission across the institution social and environmental strategy. Social and financial balance is verified in terms of growth, sustainability, funding structure, profitably and management compensation. The institution social and environmental performance management systems are deeply analysed to determine the capacity to track and monitor the social and environmental results.</p> <p>The evaluation of HR alignment to the mission statement provides an opinion on personnel adherence to the institution social and environmental strategy.</p>	
Social Responsibility and Environmental Management		27%
<ul style="list-style-type: none"> ▪ Social Responsibility towards Personnel ★★ ▪ Client Protection ★★ ▪ Environmental Management ★ ▪ Social Responsibility with the Community ★ 	<p>The institution's social responsibility is assessed throughout its different components. The first section is dedicated to staff and aims at verifying proper implementation of labour conditions.</p> <p>The next section is dedicated to the institution's adherence to the Client Protection Principles to determine if any process or practice in place may have a negative impact on the client.</p> <p>Finally, the institution overall approach toward the environment and community is taken into account.</p>	
Outreach		25%
<ul style="list-style-type: none"> ▪ Areas of Operation ▪ Target Reached 	<p>We assess the institution's depth of outreach and its alignment to the mission statement. Several items are taken into account as the geographic coverage, the social vulnerability of the clientele reached, the access to financial service, etc. The breath of outreach is also evaluated and the institution is compared against its peers in the country and region.</p> <p>The service can be further enriched with dedicated survey on clients and focus group discussions to measures the outreach and quality of the service at the client level or client outcome measurement to obtain indicators of the change in client lives from the MIS, loan files and an ad-hoc survey of clients.</p>	
Quality of the Service		20%
<ul style="list-style-type: none"> ▪ Variety of Service ▪ Quality of the Service ★★ 	<p>In this session we aim at providing an opinion of the service offered by the institution by analysing their complexity and capacity to satisfy the diverse client's need in terms of flexibility, appropriateness and variety. If offered by the provider, non-financial services are also evaluated.</p>	

The Social & Environmental Rating grade is based on the Social & Environmental Rating scale illustrated below:

Grade	Definition
^s AA	Excellent social performance management and client protection systems. High likelihood of achieving the mission.
^s A	Good social performance management and client protection systems. Mission likely to be achieved.
^s BB	Adequate social performance management and client protection systems. Satisfactory alignment to the mission.
^s B	Moderate social performance management and client protection systems. Partial alignment to the mission.
^s C	Weak social performance management and client protection systems. Medium risk of mission drift.
^s D	Poor social performance management and client protection systems. Risk of mission drift.

The modifiers "+" and "-" which can be added to the rating grade indicate small relative differences within each rating category.

Timeline and Work Plan

The following work plan applies for the services presented in the current proposal.



* MFR's Rating Committee Unit (RCU), constituted by three senior members, reviews the final report, defines the final grade and outlook, and is generally in charge of ensuring the quality standards of the deliverables.

Rating Committee

MFR's Rating Committee members have extensive experience in the assessment of financial institutions at regional and global level. It is composed of the following people:

Ivan Sannino

Chairperson of MFR's Financial Rating Committee Unit since 2009, Ivan also oversees the Quality Control activities on financial assignments. Ivan chairs the Rating Committees for Financial and Credit Ratings worldwide and coordinates other senior members of the Rating and Quality Control Unit; overtime he has chaired more than 400 Committees.

As chair of the Credit Rating Committees for the regulated markets of Ecuador and Bolivia, Ivan is authorized by the respective Supervisory Bodies. As one of the most senior experts in the company, Ivan leads and coordinates training and coaching of rating analysts worldwide on financial and risk topics. He is also an active member of MFR's Technical Group and he is part of the Management Team. Ivan joined MFR in 2004 as Analyst, participating in over 130 assignments worldwide.

Before joining MFR, Ivan worked for 5 years in Latin America in the economic development field, carrying out evaluations, technical reviews and consulting activities in microfinance, rural finance and the MSMEs sector.

Ivan holds an MSc in Economics from Bocconi University (Italy). He is fluent in English, Spanish, Portuguese and is a native Italian speaker.

Joris Crisà

Joris chairs the Rating Committees for Social & Environmental Ratings and Client Protection Certifications worldwide and coordinates other senior members of the Rating and Quality Control Unit. Joris is also the Operations Director of MFR since June 2022 and was previously the Inclusive Finance in charge of the technical and business-related aspects of MFR's inclusive finance and social performance services and projects. He is based out of the Head Office in Milan, Italy.

He joined MFR in 2011 as an Analyst and carried out +80 ratings, assessments and client protection certifications, mainly in Africa, MENA and ECA regions, acquiring an extensive field experience as analyst and team leader. Before joining MFR, Joris was involved in different projects in the field of environmental impact assessments and social programs.

Joris also worked with the Cambodian Microfinance Association for a research study. Joris holds a Master degree in Sustainable Development from Paris-Dauphine University and an MA in European Microfinance from the Solvay Brussels School of Economics and Management. He is an Italian and French native speaker and is fluent in English.

Aldo Moauro

MFR's Managing Director & Founder, Aldo is also a shareholder and board member. Aldo leads MFR's Management Team, providing strategic guidance and supervision of operations and representing MFR at global level.

He sits in the Rating Committee Unit and systematically supervises all new issues of rating reports. Since the beginning of operations in 2000, Aldo has carried out 200+ rating and assessment missions.

Aldo has been an active member within the most relevant industry initiatives, including as a Board Member of SPTF, Board Member of African Microfinance Transparency and SMART Campaign Certification Committee member. Since 2008, Aldo is also a faculty member at the Boulder Microfinance Training Program.

Before joining MFR, Aldo worked at Banca Etica and ETIMOS, respectively a commercial bank and an international financial consortium, and was in charge of the microfinance investments portfolio. Aldo holds an MSc in Economics. He is fluent in English, Spanish, French and Italian (native).

Lucia Spaggiari

Business Development Director, in charge of the Innovation Committee's effort towards new business lines, partnerships and delivery channels.

Business Development Director since 2015, Lucia contributes to the development of new services and to the upgrade of MFR's methodologies. She is responsible for the Data Platform Project, for studies and research, and for the relationships with several investors and industry initiatives (e.g. contributing to SPTF and Smart Campaign methodologies evolutions). Lucia is a member of MFR's Management Team, Rating Committee Unit, Technical Group and Innovation committee. Lucia joined MFR in 2005 as analyst. Social Rating Director from 2010 to 2015, she was in charge of the issue of social ratings and client protection certifications. She acquired an extensive field experience with 90+ field assignments in 44 countries worldwide.

Lucia holds an MSc in Economics and Management of Public Administration and International Organizations from Bocconi University (Italy). She is fluent in English, French, Spanish and is an Italian native speaker.

Technical Team

MFR's team of professionals have extensive experience in the region; the analysts will be assigned based on the services offered and their availability:

Florence Wahinya

Florence is a Analyst in the MFR's Anglophone Africa regional office in Nairobi, Kenya. She joined MFR in 2021 and has conducted over 10 assessments of microfinance and other financial institutions mainly in Sub-Saharan Africa. She was part of the team that implemented the Third Party Consumer Protection Assessment, and the Agent Model Study to assess Consumer Protection in Off-Grid Solar companies under the GOGLA agreement. Other assignments include Social ratings and client protection certifications, including digital client protection assessments. She holds a Bachelor's Degree in Economics and is fluent in English and Swahili.

Faith Mutua

Faith is an Analyst in the MFR's Anglophone Africa regional office in Nairobi, Kenya. She joined MFR in 2022 and has conducted several assignments in Sub-Saharan Africa. She holds a Bachelor's Degree in Financial engineering and is fluent in English and Swahili.

Agathe Baudin

Agathe is currently Head of Social Products at MFR. Agathe joined MFR as an analyst in 2019, she has since completed more than 30 certifications, performance assessments and rating assignments in Europe, Asia and Africa. Before joining MFR in 2019, Agathe worked in Tunisia in a microfinance institution and as a consultant in the field of financial inclusion and microfinance in Paris for 2 years. Her other experiences are in sustainable development and management within large industrial groups.

Agathe holds a master's degree in International Affairs and Development from the University of Paris Dauphine and another Master's degree from the European Microfinance Programme of the Solvay Brussels School of Economics and Management. She is fluent in English, French (her mother tongue) and Italian.

Lucia Zanardi

Lucia is currently Regional Manager for MENA at MFR. Lucia joined MFR in 2022, she has since led more than 10 certifications, performance assessments and rating assignments in MENA and Europe. Prior to joining MFR Lucia worked as a Financial Inclusion Specialist at the International Organization for Migration (IOM), where she provided technical support on digital financial services. Moreover, she worked four years as a Sr. Financial Analyst at the bank of the city of Buenos Aires, where she conducted performance analysis and supported the Board of Directors in evidence-based decision making and strategy design. She also designed the performance evaluation of the bank's subsidized programs and products to serve low-income populations. Her background also includes consultancy positions at the Inter-American Development Bank and the European Microfinance Network as well as field experience as Microcredit Advisor at a local MFI in Argentina.

Lucia holds a Master of Public Administration (MPA) from Columbia University with a specialization in Economic Development and she is fluent in Spanish (native) English and French.

Adèle Voyeux

Adèle is currently Regional Manager for Europe at MFR mainly in charge of the EaSI TA program as well as the MFSETA program. As project manager, Adèle is responsible for the coordination and quality control of the EASI TA (Employment and Social Innovation) and the InvestEU program at European level as well as contributing to the business development activities.

Since joining MFR, Adèle carried out 20+ ratings, assessments, code of good conduct evaluations and client protection certifications, mainly in Europe, Africa and MENA regions, acquiring an extensive field experience as analyst and team leader.

Adèle holds a Master degree in Sustainable Development from Paris-Dauphine University and an NMA in European Microfinance from the Solvay Brussels School of Economics and Management. She is a French and Persian native speaker and is fluent in English as well as in Spanish.

Thaer Atawna

Thaer is an Inclusive and Digital Finance expert and analyst with more than 8 years of experience in the field of Finance, Accounting and Economics. He is in charge of conducting rating and assessment of MFR's inclusive finance, social performance and microfinance projects. Before joining MFR, he held several positions in national and international organizations in banking, investment, auditing and academia. Thaer was a member of the working groups for establishing the Palestinian National Strategy on Financial Inclusion (NSFI), an academic representative at Palestine Capital Market Authority (PCMA) for Corporate Governance awareness, and an academic representative at the Palestinian Anti-Corruption Commission (PACC) for anti-corruption awareness.

Thaer is a PhD candidate in Economics and Management at the University of Genoa with a thesis topic on Fintech. He holds a master's degree in European Economy, Finance and Institutions from the University of Rome Tor Vergata. He is fluent in English and Arabic (native).

Roxane Lemercier

Roxane is currently Regional Manager for Francophone Africa at MFR. She joined MFR as an analyst in 2021 and has carried out several certifications, social rating and institutional diagnostics. She is familiar with the Universal Standards for Social and Environmental Performance Management and used to perform institutional gap analyses and provide recommendations.

Before joining MFR in 2021, Roxane worked as Director of Operations of the Ivoirian agricultural training schools' platform. Before this experience in Ivory Coast, she worked two years for Nestlé and almost six years for a microfinance institution in Belgium. Roxane also conducted a study on input financing for a microfinance institution in Ethiopia. Roxane holds a Master's degree in Management Engineering and two other Master's degrees, one in Globalisation & Development from the Institute of Development Policy of the University of Antwerp and the other from the European Microfinance Programme of the Solvay Brussels School of Economics and Management.

Francesco Poletto

Francesco is an analyst for Europe, MENA and Francophone Africa and is based out of Milan, Italy. He joined MFR in March 2022 and has conducted various assessments of microfinance and other financial institutions mainly in Europe, including institutional and social ratings, Code of Good Conduct Evaluations and client protection certifications. Prior to joining MFR, he did an internship and Grameen Foundation Italy, a traineeship at the European Investment Bank (EIB) and worked as a Microinsurance Junior Consultant for the German Saving Bank for International Cooperation (DSIK). Francesco holds an MSc in Economics and Strategy in Emerging Markets from Maastricht University and another master in Economic Development and Globalization from the University of Groningen. He is fluent in English and Italian (native) and speaks some Spanish.

Swati Mohanti

Swati has 5+ year experience in financial inclusion and responsible finance. Swati is a Social Performance and Client Protection Analyst for South and South-East Asia based out of Kolkata, India. Since joining MFR in 2022, Swati has conducted assessments and certifications for various international institutions. Prior to joining MFR, Swati has worked in the Fintech space specializing in social impact assessment, social performance management, corporate social responsibility, impact communications, and customer engagement. Swati holds a master's degree in Rural Management from Xavier Institute of Management, Bhubaneswar. She is a native Odiya and Hindi speaker and is fluent in English.

Liliya Isambaeva

Liliya has 10 years' experience in financial institutions and responsible finance. Liliya is an analyst for Central Asia, the Caucasus, Russia, and Mongolia based in Bishkek, Kyrgyzstan. She recently joined MFR in January 2023. Prior to joining MFR, Liliya worked in the bank's mobile banking department, where she coordinated business and client requirements to turn into technical documentation for software developers to build up a service or product in the bank's mobile application for the clients. Previously, she worked for around 10 years in the First Microfinance Company, covering the positions of Research and Product Development Coordinator, which encompassed conducting client and staff surveys, training, product development, partnerships, communication, and marketing, as well as digitalization project implementation (scoring, e-wallet cooperation, etc.). Liliya holds a Master of Arts in Sociology from Geneva University, and she is a certified expert in microfinance at the Frankfurt School of Finance and Management. She is a native Russian speaker and is fluent in English and French.

Rajshi Vallabhi

Rajshi is an analyst for South and South East Asia and is based out of Kolkata, India. She joined MFR in December 2022 and has conducted assessments of microfinance institutes mainly in India, including client protection certification and pre-client protection certification. Before joining MFR, she worked as an associate consultant at Sattva Consulting, an impact-focused consulting firm, where she led the governance of project management, P&L management, and portfolio management of their largest vertical. She has also interned at cKinetics, TERI, The Competition Commission of India, USF, and ISDM. Rajshi holds an M.A. in Economics from Amity University and B.A (Hons) in Economics from the University of Delhi. She is fluent in English and is a native Hindi speaker.