



## EUROPEAN MICROFINANCE AWARD 2023

### Inclusive Finance for Food Security & Nutrition



## Award Guidelines

The European Microfinance Award 2023 on **Inclusive Finance for Food Security & Nutrition** seeks to highlight innovations by financial inclusion organisations to safeguard access to **quality** and **affordable food** for **vulnerable populations** and to **increase resilience of sustainable food systems**.

Organised by:

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EUROPEAN  
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PLATFORM

ADVANCING FINANCIAL INCLUSION



**InFiNe**

Inclusive Finance Network  
Luxembourg

## EUROPEAN MICROFINANCE AWARD 2023

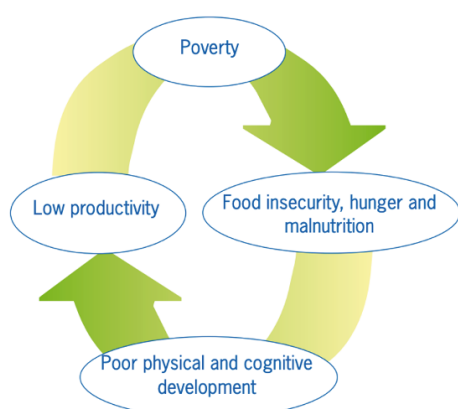
The choice of topic for the European Microfinance Award 2023 comes at a critical juncture. According to the [World Food Programme](#), “Conflict, economic shocks, climate extremes and soaring fertiliser prices are combining to create a **food crisis of unprecedented proportions**”. The Sustainable Development Goals (SDGs) were adopted in 2015 with SDG 2 stating the ambition to “end hunger, achieve food security and improved nutrition, and promote sustainable agriculture” by 2030. In the last few years, however, progress has stalled – and in many places, reversed.

The FAO pointed out in its [2022 State of Food Security report](#) that people affected by hunger had grown by 150 million people since the onset of the COVID-19 pandemic. And while hunger – i.e. insufficient *quantity* of food – is a key part of food insecurity, it is not the only issue. Poor nutrition, an unbalanced diet lacking in micronutrients that are critical to good health and mental function – i.e. insufficient *quality* of food, sometimes referred to as “hidden hunger” – which is estimated to affect [more than 2 billion people](#).

There are many drivers for this growing crisis – climate change wreaking havoc on agricultural production in much of the global South, regional conflicts, forced displacement and the war in Ukraine have all been contributing to dangerous shortages, supply chain issues and inflation that together result in reduced access to food for many poor people around the globe.

### Understanding Food Security & Food Systems

**Food security** “exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life.” ([World Food Summit Plan of Action](#) – Rome, 1996).



Source: FAO, *Food Security Information for Action: Practical Guides*, 2008

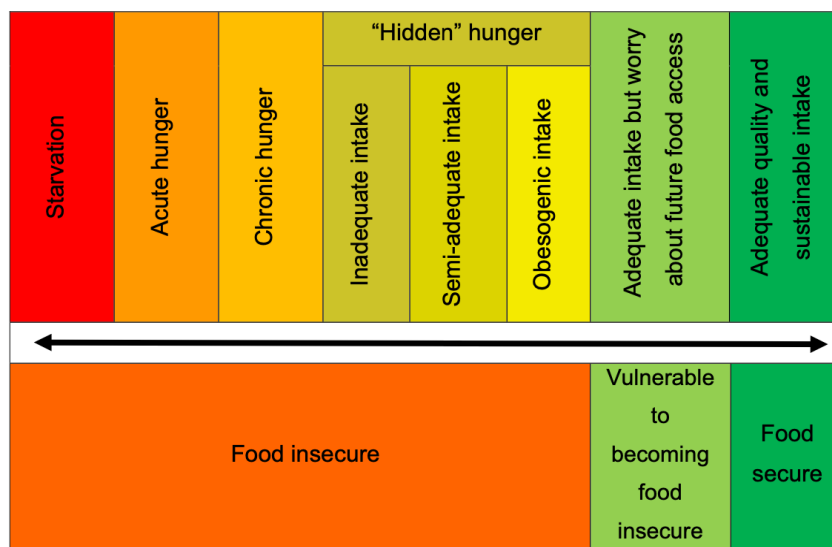
Low-income and vulnerable people are rarely either just food secure or insecure. Food security is a complex phenomenon, and comprises various dimensions, but also presents as a **negative feedback loop** - poverty leads to food insecurity, which can cause poor physical and cognitive development, which can restrict productivity, which in turn exacerbates poverty - and the cycle continues.

It’s also helpful to see food security along a **continuum**. The following figure (from Hendriks, 2015) shows that food security is far from a binary construct, but rather, food insecurity can manifest in many ways of varying

severity or duration. People can be **persistently food insecure** (regularly and repeatedly unable to access and utilise sufficient nourishment), **chronically or seasonally food insecure** (facing periodic shortages, usually due to predictable circumstances), or can experience **‘transitory’ food insecurity**

due to an unexpected event, such as drought or war. Food security and nutrition also comprise overconsumption of unhealthy foods that lead to widespread **chronic disease such as diabetes, heart disease and obesity.**

### Visualising Food Security on a continuum (S. Hendriks, 2015)



The Food & Agriculture Organisation (FAO) conceptualises food security across [four dimensions](#): **availability, access, utilisation and stability**, each of them necessary criteria for food security.

### Four Dimensions of Food Security

Food security dimension	Definition
<b>Availability</b>	Sufficient and nutritionally appropriate food is available in the communities served.
<b>Access</b>	People can afford to buy (and produce) the kinds and quantities of food they need.
<b>Utilisation</b>	People have the knowledge and ability to consume and absorb nutritious food.
<b>Stability</b>	Nutritious food is available year-round, and ongoing availability is realistic over the long term.

More recently [two additional dimensions](#) have been added by some experts: **agency** (people’s ability to choose what they consume) and **sustainability** (long-term environmental and economic capacity to continue producing, accessing and using food).

### What are food systems?

Ensuring food security is more than just growing or providing access to food. It is highly interconnected and immensely complex, and for this reason is typically referred to as a **food ‘system’** - comprising [all the aspects of feeding and nourishing people: growing, harvesting, packaging, processing, transporting, marketing, choosing and consuming food](#). According to IFAD it encompasses “*all the interactions between people and the natural world – land, water, the climate, etc. – and the natural world’s effects on human health and nutrition. It also includes the inputs, institutions, infrastructure and services that support the functioning of all these aspects, as well as the role of diets and cultural practices in shaping outcomes...a food system is sustainable when it provides sufficient nutritious food for all without compromising the health of the planet or the ability of future generations to meet their own food and nutritional needs*”.

## THE ROLE OF INCLUSIVE FINANCE IN FOOD SECURITY & NUTRITION

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Food security and financial inclusion are intrinsically related. In fact, the elements of financial inclusion – giving low-income people the ability to plan, save, mitigate shocks, invest and smooth consumption – will typically increase people’s ability to afford and access quality and sufficient food. Financial inclusion organisations can play a **critical role on both demand and supply sides** – not only in facilitating the production and distribution of food, but also in **safeguarding and increasing access** to food for vulnerable clients, whether in rural or urban areas.

This relationship between food security and inclusive finance, can also flow in the opposite direction. It is widely known and documented that when money is limited, **microfinance clients often prioritise their loan repayments over food, sacrificing food expenditure** (whether lower quantity or quality) in order to preserve their access to financial services. Recognising – and addressing – this issue through various approaches, such as greater attention to debt stress or offers for repayment flexibility, can be as important a response to food insecurity as initiatives aimed at increasing food availability and improving nutrition.

### The direct and indirect roles that Inclusive Finance organisations can play

Financial inclusion organisations can play both direct and indirect roles in addressing food security and nutrition challenges, whether through **financial or non-financial services**, and often involving partnerships with other organisations.

**Direct interventions** target one or more of the four dimensions of food security discussed above. For example, a financial provider might offer products to improve the yield, nutrition or resilience of food

crops, thus increasing the availability dimension. Note that this intervention applies only to food crops, in particular those that are meant for local / regional consumption.

**Indirect interventions**, such as an otherwise identical intervention aimed at non-food crops (e.g. coffee), do not directly contribute to food availability. However, by increasing or stabilising coffee farmers' income, these initiatives may still contribute indirectly to their food security, by improving their ability to afford (i.e. to access) food.

### Examples of Food Security & Nutrition (FSN) responses:

The following are some examples of **direct responses** (by dimension):

- Funding agricultural extension and improved seed programmes for food crops (availability)
- (Urban) kitchen gardens (availability, access)
- Educating on food preparation & nutrition literacy (utilisation)
- Providing nutritious food in schools (access)
- Funding storage, transportation, and distribution of food value-chains (availability, stability)
- Digital platforms linking different actors within food systems (availability, stability)
- Solar power finance for irrigation and processing (availability)

**Indirect responses** typically involve increasing income or resilience to financial shocks and thus contributing to better access & stability. Examples of this include:

- Life & health insurance; crop insurance (stability)
- Remittances (stability & access)
- Loan repayment flexibility (stability)
- Savings products (stability & access)
- Financial services linked to food vouchers / cash transfers to refugees (access)

Note that initiative(s) presented for the award may tackle **one or multiple dimensions of food security and nutrition**, and they may also address **any stage of the food security continuum**, from tackling hunger, to improving the nutritional quality of food consumed, and from alleviating the stress of food insecurity worries to reducing food-related chronic disease.

Applications that feature **indirect interventions** need to demonstrate a **clear strategy and a comprehensive monitoring framework linking the activities of the organisation to improved outcomes in the food security and nutrition of their clients**. It is not sufficient to merely point to increasing financial inclusion among low-income clients, which is assumed to indirectly improve FSN. Examples of indicators that may be used to monitor the effectiveness of any FSN interventions can be found [here](#).

## ELIGIBILITY CRITERIA

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- Eligible applicants are organisations working in the financial inclusion sector. This includes many different types of financial services providers (FSPs) that directly provide financial

services, as well as non-financial organisations that facilitate access to financial services, via partnerships or other relationships with FSPs.

- Eligible organisations have to be based and operate in a Least Developed Country, Low Income Country, Lower Middle Income Country or an Upper Middle Income Country as defined by the Development Assistance Committee (DAC) for ODA Recipients. A list of Eligible Countries of ODA Recipients as defined by the DAC can be found [here](#).
- Eligible applicants must have been fully operational for at least two years. At least one of the organisation's FSN initiatives needs to have been operational for at least one year.
- Prior winners of the European Microfinance Award may not submit applications for projects or initiatives that are the same or similar to the one for which they previously won.
- Institutions that won the European Microfinance Award in 2018 or later are not eligible to apply in the 2023 edition.

### e-MFP member support

Every applicant invited to apply for Round 2 (please see section 'Award timeline and process') must provide written support from an e-MFP member, e.g. a short message or a letter from the member addressed to the e-MFP Secretariat. A list of e-MFP members can be found [here](#).

## HOW TO APPLY

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Applications must be **submitted online** on the Award website:

<http://www.european-microfinance-award.com/>

The Award is launched in three languages: **English, French, and Spanish**.

### EMA 2023 Application Guidance Sessions

There will be three Application Guidance sessions (one in each of the Award languages) in order to go over the EMA process and reply to any questions that applicant organisations may have.

- **English** session: 28th March, 10h00 CET. [Register here](#)
- **Spanish** session: 28th March, 16h00 CET. [Register here](#)
- **French** session: 29th March, 16h00 CET. [Register here](#)

The session recordings will be posted on the EMA website and e-MFP website.

### EMA 2023 Contact

If you have any questions or need any assistance, please don't hesitate to contact us:  
[emaward@e-mfp.eu](mailto:emaward@e-mfp.eu)

## AWARD TIMELINE & PROCESS

<b>AWARD LAUNCH</b>	<b>15th MARCH 2023</b>
<b>Round 1 - Deadline for applications</b>	<b>12th April 2023, 23:59 pm CET</b>
<b>Communication to shortlisted applicants</b>	First half of May
<b>Round 2 - Deadline for applications</b>	<b>End May - early June</b>
<b>Preselection Committee Phase</b>	June – August
<b>Selection Committee Phase</b>	Late September
<b>Announcement of finalists and semi-finalists</b>	Beginning of October
<b>High Jury Phase</b>	November
<b>Winner announcement at Award Ceremony</b>	16th November 2023

### Round 1 Application phase

Organisations interested in applying are required to submit the short Round 1 application form outlining the programme they are presenting to the Award and provide their audited financial statements.

Selection for Round 2 will be based on verification of applicant eligibility and initial assessment of the relevance, quality, and effectiveness of the programme presented in Round 1.

### Round 2 Application phase

Applicants successfully selected for Round 2 will be invited to complete the Round 2 application form explaining the programme in greater detail, as well as providing supporting documentation.

These applicants will also be required to submit an e-MFP member support letter. For applicants successfully selected for Round 2, but who do not have a relationship with an existing e-MFP member, the e-MFP Secretariat will assist in connecting with a member at that stage.

### Preselection Committee Phase

Applicants will be evaluated by the Preselection Committee on the basis of the relevance and effectiveness of the programme presented in addressing the specific goal of the award, their financial performance and the quality, clarity and transparency of the application.

### Selection Committee Phase

Preselected applicants will be evaluated by the Selection Committee in order to select 7 to 10 semi-finalists and from among those, the 3 finalists.

## High Jury Phase

A High Jury selects the winner from among the 3 finalists.

## Winner announcement

The winner is announced at the Award ceremony on 16<sup>th</sup> November 2023. The Award ceremony takes place during the European Microfinance Week, 15<sup>th</sup> – 17<sup>th</sup> November 2023. In previous years the Award has been presented by HRH The Grand Duchess of Luxembourg and the Luxembourg Minister for Development Cooperation and Humanitarian Affairs.

## Winner follow up report

The Award winner will be requested to provide a follow up report by the 31<sup>st</sup> of January 2025 describing how the Award funds were used.

## **IMPORTANT INFORMATION**

During both Rounds, applicants might be contacted and asked to supply additional information on a case-by-case basis if deemed necessary.

All the information provided during the application process will be treated as confidential and only be used for the purposes of the Award.

The Organisers regret that information relating to the on-going evaluation of applications will not be released.

The judges' decision is final and not subject to appeal. Neither the judges nor the organisers will enter into any correspondence relating to the decision.

The three finalists will be invited to attend the Award Ceremony and agree to ensure the presence of a senior management representative of the Applicant organisation at the Award ceremony. If applicable, travel costs will be covered by Award organisers.



## AWARD BENEFITS

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### WINNER

- €100,000 (one hundred thousand Euro)
- Winner's Certificate
- Short video highlighting the winner's programme produced at the organisers' expense<sup>1</sup>; it will be featured during the Award Ceremony and available online afterwards
- Two press releases (September and November), circulated worldwide
- Media coverage by the Award organisers' partners as well as by media covering the Ceremony and the European Microfinance Week
- Attendance at the Award Ceremony with travel and lodging covered by the organisers, if applicable
- Two free registrations to the European Microfinance Week, one of the top events of the financial inclusion calendar
- Programme presented for the Award featured in communications and in the Award publication

### FINALISTS

- €10,000 (ten thousand Euro)
- Finalist's Certificate
- Short video highlighting the finalist's programme produced at the organisers' expense<sup>2</sup>; it will be featured during the Award Ceremony and available online afterwards
- One press release (September), circulated worldwide
- Media coverage by the Award organisers' partners as well as by media covering the Ceremony and the European Microfinance Week
- Attendance at the Award Ceremony with travel and lodging covered by the organisers, if applicable
- Two free registrations to the European Microfinance Week, one of the top events of the financial inclusion calendar
- Programme presented for the Award featured in communications and in the Award publication

### SEMI-FINALISTS

- Semi-finalist Certificate (electronic version)
- One press release (September), circulated worldwide
- Programme presented for the Award featured in the Award publication

**All applicants participating in Round 2 will receive a Certificate of Participation**

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<sup>1</sup> Note: This short video is produced independently by the Award organisers; applicants agree to have their organisation and programme featured in it.

<sup>2</sup> Ibid.

## ABOUT THE EUROPEAN MICROFINANCE AWARD

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The European Microfinance Award is a prestigious annual award with €100,000 for the winner and €10,000 for the runners-up, which attracts applications from organisations active in financial services around the world that are innovating in a particular area of financial inclusion. It serves two parallel goals: rewarding excellence and collecting and disseminating the most relevant practices for replication by others.

The Award was launched in 2005 by the Luxembourg Ministry of Foreign and European Affairs – Directorate for Development Cooperation and Humanitarian Affairs. It is jointly organised by the Ministry, the European Microfinance Platform (e-MFP), and the Inclusive Finance Network Luxembourg (InFiNe.lu), in cooperation with the European Investment Bank (EIB).

The Award is presented in a ceremony which in the past has been in the presence of Her Royal Highness the Grand-Duchess of Luxembourg and the Luxembourg Minister for Development Cooperation and Humanitarian Affairs. The ceremony takes place during the European Microfinance Week.

### Previous editions and winners

**2022, Financial Inclusion that Works for Women** - *Banco FIE* (Bolivia), for its holistic approach to financial inclusion for women including via its *Marca Magenta* programme to promote women's professional development within the organisation.

**2021, Inclusive Finance and Health Care** - *Fonkoze* (Haiti), for its *Boutik Santé* initiative to train clients as Community Health Entrepreneurs to conduct basic health screenings, deliver health education sessions, and procure health products.

**2020, Encouraging Effective & Inclusive Savings** - *Muktinath Bikas Bank* (Nepal), for its adapted solidarity group savings model with doorstep services, including dedicated pension and insurance savings products, alongside extensive financial education.

**2019, Strengthening Resilience to Climate Change** - *APA Insurance* (Kenya), for its Index Based Livestock Insurance (IBLI) and Area Yield Index Insurance (AYII) for pastoralist and smallholder farmers

**2018, Financial Inclusion through Technology** - *Advans Côte d'Ivoire* (Ivory Coast), for its digital savings and payment solutions for cocoa farmers and cooperatives, and their small digital school loans for farmers

**2017, Microfinance for Housing** - *Cooperativa Tosepantomín* (Mexico), for its holistic housing programme serving rural communities and promoting environmental responsibility

**2016, Microfinance and Access to Education** - *Kashf Foundation* (Pakistan), for its programme to serve low-cost private schools

**2015, Microfinance in Post-disaster, Post-conflict Areas & Fragile States** - *Crédit Rural de Guinée S.A* (Guinea), for its innovative response to the Ebola outbreak in Guinea

**2014, Microfinance and the Environment** - *Kompanion* (Kyrgyzstan), for its Pasture Land Management Training Initiative

**2012, Microfinance for Food Security** - *ASKI* (The Philippines), for serving smallholder farmers and fostering effective market linkages

**2010, Value Chain Finance** - *Harbu* (Ethiopia), for its initiative financing a soybean value chain

**2008, Socially Responsible Microfinance** - *Buusaa Gonofaa* (Ethiopia), for the development of its client assessment system

**2006, Innovation for Outreach** - *The Zakoura Foundation* (Morocco), for its rural tourism programme