



**Kompanion Financial Group ([www.kompanion.kg](http://www.kompanion.kg))** is an MFI from Kyrgyzstan, established in 2004. With over 100 thousand clients and a portfolio valued at close to €61 million, Kompanion is the third largest financial institution in Kyrgyzstan based on number of clients, and the second largest based on portfolio size. It is present in all seven regions of Kyrgyzstan. Kompanion provides microloans in combination with technical assistance to small-scale farmers and pastoralists (livestock herders / shepherds) to promote sustainable agriculture and natural resource management. In April 2014, it received SMART certification for client protection

#### MISSION

Kompanion's mission is to be the leading community development financial institution in Central Asia.

#### VISION

Kompanion's development vision is to:

- Assist communities with natural resources conservation and management via the transfer of knowledge and best practices;
- Use an ethno-ecological approach in all development services, and;
- Integrate financial and development products and services for entrepreneurs so that they are able to create opportunities for themselves and others.

Kompanion's initiative for the Award 'Pasture land management training initiative: an ethno-ecological approach to pasture land preservation' addresses the pressing issue of pasture land degradation in Kyrgyzstan. Pastures account for 85% of all agricultural land in Kyrgyzstan, and are vitally important for the national economy. The initiative consists of a specialised loan package ('Credits for Conservation') linked with a training program. Through the initiative, local land managers are taught how to sustainably optimize grazing land, how to tend their livestock and are made aware of their legal rights to help them protect their stake in local environmental resources. The 'Credit for Conservation' loan was designed specifically to motivate participation by rural livestock farmers.

Since 2011, Kompanion has trained more than 24 thousand clients. As a result, pasture productivity (and overall incomes) among Kompanion's clients has reportedly increased and stabilized. According to the MFI, client's incomes have increased ca. 30%, while their costs have decreased by around 15%. The initiative has also positively impacted the local environment, including biodiversity. This has for example, taken place through a reduction in the use of harmful chemicals and hormones in livestock breeding, increased use of organic compost and uptake of beneficial biological soil management techniques by Kompanion's clients. Kompanion has self-financed the initiative, and views this as an important mechanism to reduce clients' environment-related risks, improve returns and to create strong bonds with existing and new clients.

In addition to the initiative, Kompanion has had an environmental policy in place since 2011. Kompanion collects and analyses scientific and cultural practices on an on-going basis, and when appropriate, adopts these into client training programs. Kompanion is actively taking steps to address its internal environmental footprint (e.g. by installing energy-efficient ovens). Since June 2012 Kompanion has adopted an environmental and social risk assessment policy requiring loan officers to consider environmental issues in credit assessment. Moreover, Kompanion is collaborating with a local foundation focussed on developing and testing new environmental technologies, which provides Kompanion access to new products that may be of interest to its clients.

#### Use of the Award

Kompanion states that if it was to win the Award, the prize money would be used to develop a 'mobile classroom' to reach communities in remote areas, and to develop video materials to be used in schools in remote areas.