



**EUROPEAN  
MICROFINANCE WEEK 2015**  
FINANCIAL INCLUSION FOR SUSTAINABLE DEVELOPMENT

# 1<sup>st</sup> Green Training

## Environmental management & MFIs

**Action Group MF and Environment**

18th November 2015, Luxembourg



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# The GREEN INDEX

**Action Group MF and Environment**

Davide Forcella

davide.forcella@yahoo.it



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## **GREEN INDEX**

([http://www.e-mfp.eu/sites/default/files/resources/2014/10/Green\\_Index\\_\\_2014\\_Block\\_final.pdf](http://www.e-mfp.eu/sites/default/files/resources/2014/10/Green_Index__2014_Block_final.pdf))

designed by the MF and Environment e-MFP action group:

tool to assess environmental performance of MFIs:

- **environmental strategy**
- **environmental risk management:**

**Internal risk**

**External risk**

- **green opportunities**



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## Environmental Strategy

Standard	7a	The institution addresses environmental issues through a formalized strategy	
EP	7a1	The institution defines and implements its environmental strategy	
Indicator	7a11	The institution defines its environmental strategy	
Detail	7a111	Formalizes environmental protection in the official vision, mission or values	YES/NO
Detail	7a112	Has a formal environmental policy	YES/NO
Detail	7a113	Consults its stakeholders on environmental issues (clients, employees, investors, environmental organizations, etc.)	YES/NO
Indicator	7a12	The institution implements its environmental strategy	
Detail	7a121	Raises board members' awareness on environmental issues (regulation, risks and opportunities)	YES/NO
Detail	7a122	Has a person appointed to manage environmental issues	YES/NO
Detail	7a123	Sets quantitative objectives to manage environmental risks and/or foster green opportunities	YES/NO
Detail	7a124	Has an incentive system to encourage employees to take into account specific environmental objectives	YES/NO
Detail	7a125	Reports on the MFI's environmental practices (annual reports, reports to Board, investors, etc.)	YES/NO



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## Internal Environmental Risk Management

<b>Standard</b>	<b>7b</b>	<b>The institution manages its environmental risks</b>	
<b>EP</b>	<b>7b1</b>	<b>The institution manages its internal environmental risks</b>	
<b>Indicator</b>	<b>7b11</b>	<b>The institution implements actions to reduce its internal ecological footprint</b>	
Detail	7b111	Conducts activities to raise employees' awareness of good practices in paper, water and energy consumption, waste management, etc.	YES/NO
Detail	7b112	Defines processes and/or implements mechanisms to reduce paper, water, and energy consumption, reduce/treat waste, and/or reduce carbon emissions	YES/NO
<b>Indicator</b>	<b>7b12</b>	<b>The institution monitors its internal environmental risks</b>	
Detail	7b121	Tracks the achievement of quantitative objectives set for paper, water, and energy consumption, waste management, and/or carbon emissions	YES/NO



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## External Environmental Risk Management

EP	7b2	The institution manages its external environmental risks	
<b>Indicator</b>	<b>7b21</b>	<b>The institution evaluates the level of environmental risk of its clients</b>	
Detail	7b211	Trains loan officers on how to evaluate the environmental risks of their clients' activities	YES/NO
Detail	7b212	Uses specific tools to evaluate the environmental risks of clients' activities (categorizing clients per level of risk using sectorial factsheet, surveys, exclusion list, etc.)	YES/NO
<b>Indicator</b>	<b>7b22</b>	<b>The institution includes the level of environmental risk as a factor in the loan approval process</b>	
Detail	7b221	Refuses to finance environmentally-risky activities	YES/NO
Detail	7b222	Includes clauses in the contract requiring clients to improve environmental practices / mitigate environmental risks	YES/NO
<b>Indicator</b>	<b>7b23</b>	<b>The institution monitors the external environmental risks</b>	
Detail	7b231	Includes indicators into the MIS to track the environmental performance of clients	YES/NO
Detail	7b232	Limits the proportion of environmentally-risky activities in the global portfolio	YES/NO
<b>Indicator</b>	<b>7b24</b>	<b>The institution raises clients' awareness on environmental risks</b>	
Detail	7b241	Conducts activities such as training sessions and discussions / displays posters / distributes flyers on environmental impacts	YES/NO



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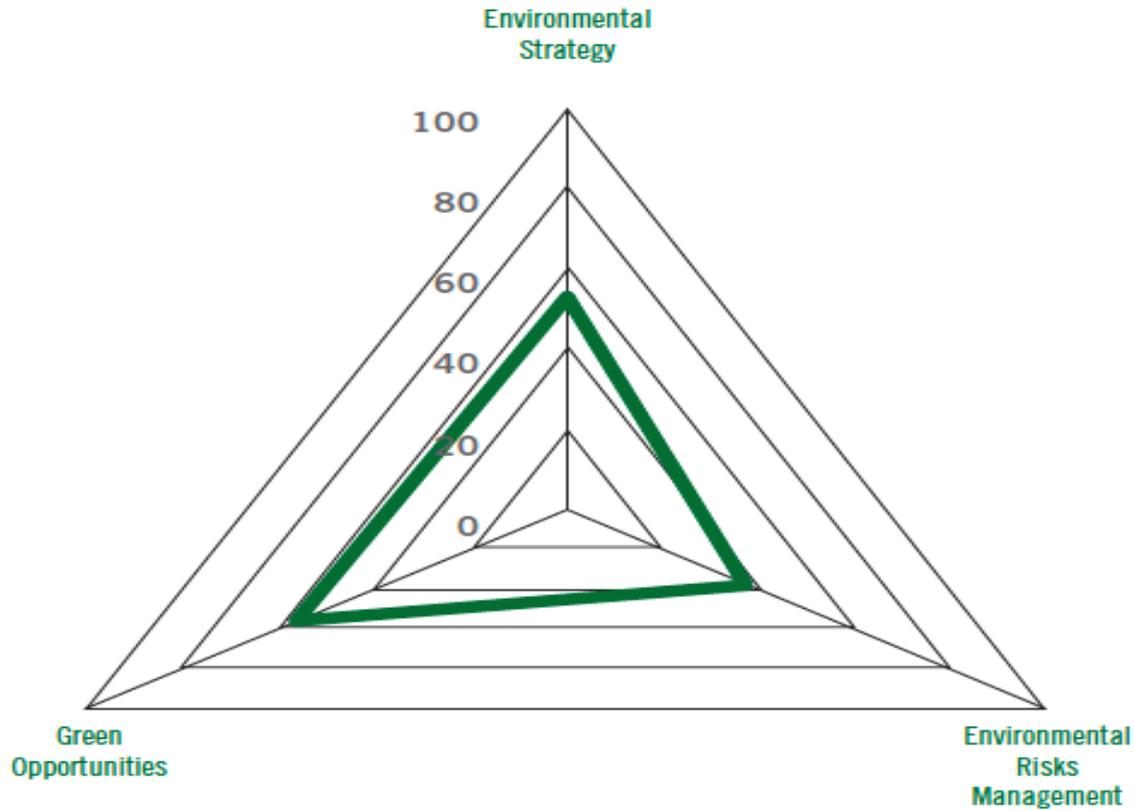
## Environmental Opportunities

<b>Standard</b>	<b>7c</b>	<b>The institution fosters green opportunities</b>	
<b>EP</b>	<b>7c1</b>	<b>The institution provides green products and services to its clients</b>	
<b>Indicator</b>	<b>7c11</b>	<b>The institution provides specific green loan products:</b>	
Detail	7c111	Specific loan products dedicated to renewable energy (e.g: solar panels, biogas digesters, etc.) and energy efficiency (e.g: insulations, improved cook stoves, etc.)	YES/NO
Detail	7c112	Specific loan products dedicated to promoting environmentally-friendly technologies and activities (e.g: organic farming, recycling, waste management, agroforestry or silvopasture, clean water, etc.)	YES/NO
Detail	7c113	Specific loan products dedicated to helping clients become more resilient to environmental shocks or climate change (e.g: loans for diversifications of productive activities, loans for adapted seeds, etc.)	YES/NO
<b>Indicator</b>	<b>7c12</b>	<b>The institution provides other green financial products:</b>	
Detail	7c121	Other financial products (e.g: savings, micro-insurance, etc.) dedicated to promoting environmentally-friendly technologies and activities (renewable energy, water and waste management, etc.) and/or helping clients become more resilient to environmental shocks or climate change	YES/NO
<b>Indicator</b>	<b>7c13</b>	<b>The institution provides green non-financial services:</b>	
Detail	7c131	Training on environmentally-friendly practices or businesses (can be done by the MFI itself or through partnering with environmental organizations)	YES/NO



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# Green Index and SPI4 lessons learnt

Marie Anna Bénard

CERISE

Luxembourg, Nov 18<sup>th</sup>, 2015

# CERISE

- Association focused on disseminating knowledge and tools for ethical finance
- **Founding members:** five French organizations specialized in microfinance
- **Partners:** MFIs, networks, TA providers, investors, donors, researchers, worldwide
- **Working areas:** impact and social performance, governance, rural and agricultural finance.

[www.cerise-microfinance.org](http://www.cerise-microfinance.org)

# What is the SPI4?

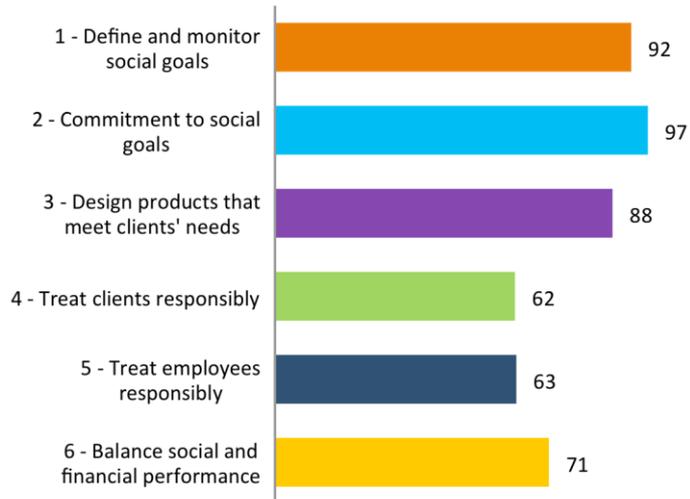
- The **data collection and assessment tool** for the Universal Standards of SPM
- A social **audit tool** that allows FIs to analyze their current SPM practices in a way that fits their budget and preferences
- A **customizable tool that can be tailored to the institution's mission and stakeholders** through optional modules on poverty and environment; a sub-selection for investors' due diligence
- A **reporting tool**

# Universal Standards for Social Performance Management

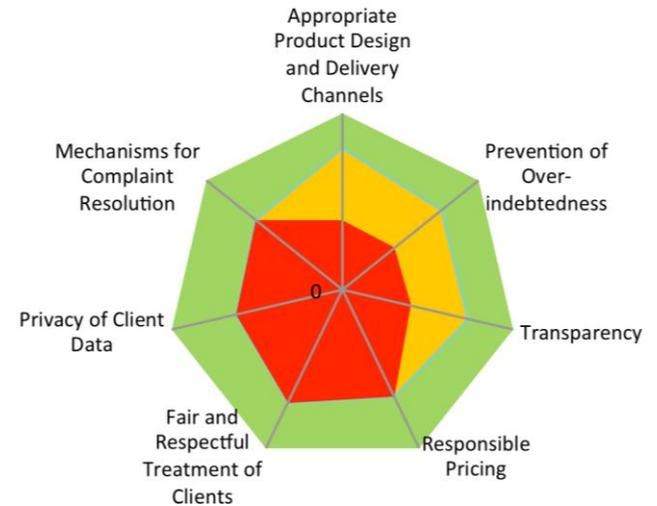


# SPI4 – a tool to manage social performance

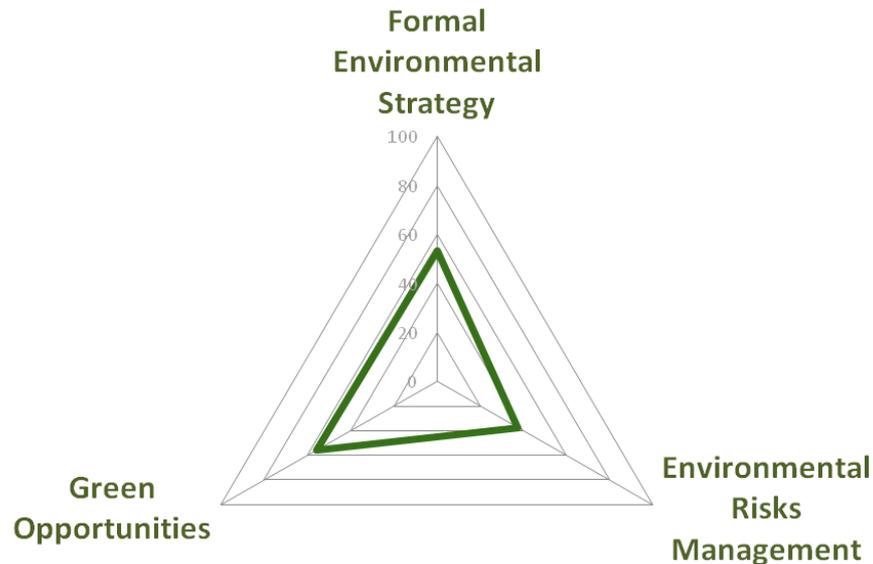
## UNIVERSAL STANDARDS



## SMART CAMPAIGN



## GREEN INDEX



# SPI4 is comprehensive, but the goal is to reduce the reporting burden on MFIs



The reporting burden on MFIs is high.



Investors' due diligence

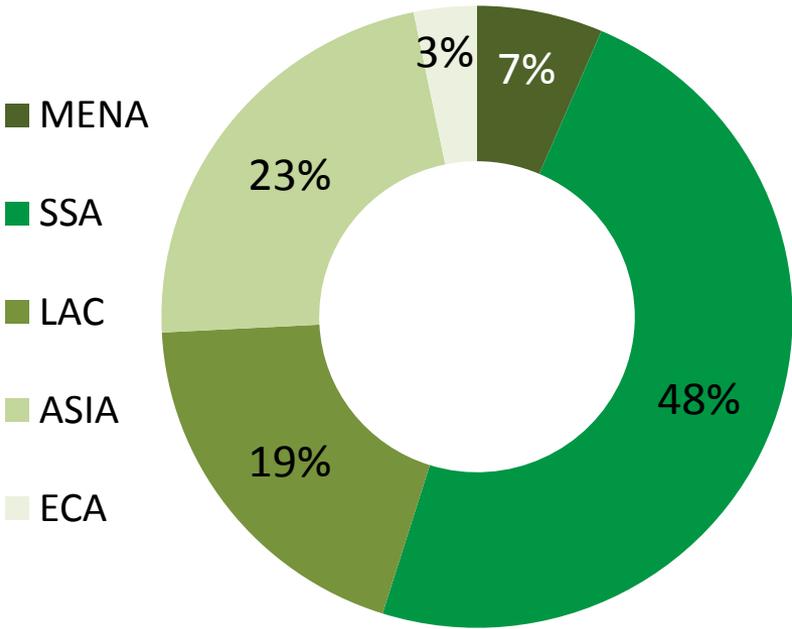
Each initiative requires a different report.

SPI4 standardizes reporting across stakeholder groups and thereby reduces the burden on MFIs.

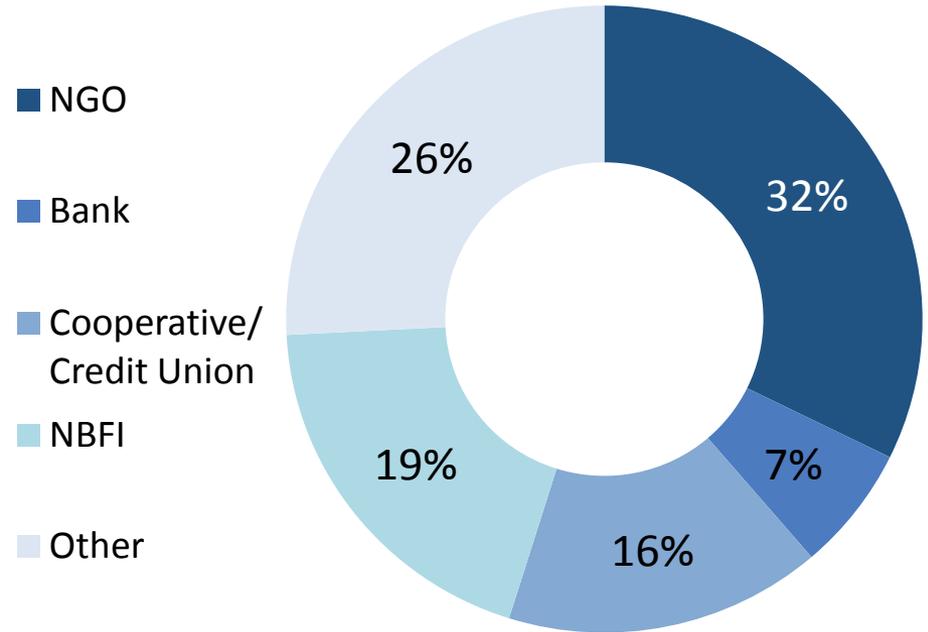
# The Green Index in SPI4

- Designed together with the MF & Environment Action Group = common language
- Integrated in the SPI4 tool early 2014
- Completes the 6 dimensions of the Universal Standards
- Optional module
  
- As of Nov 2015:
  - **31** MFIs completed the GI
  - **24** as accompanied self-assessments, **7** as purely self-assessments

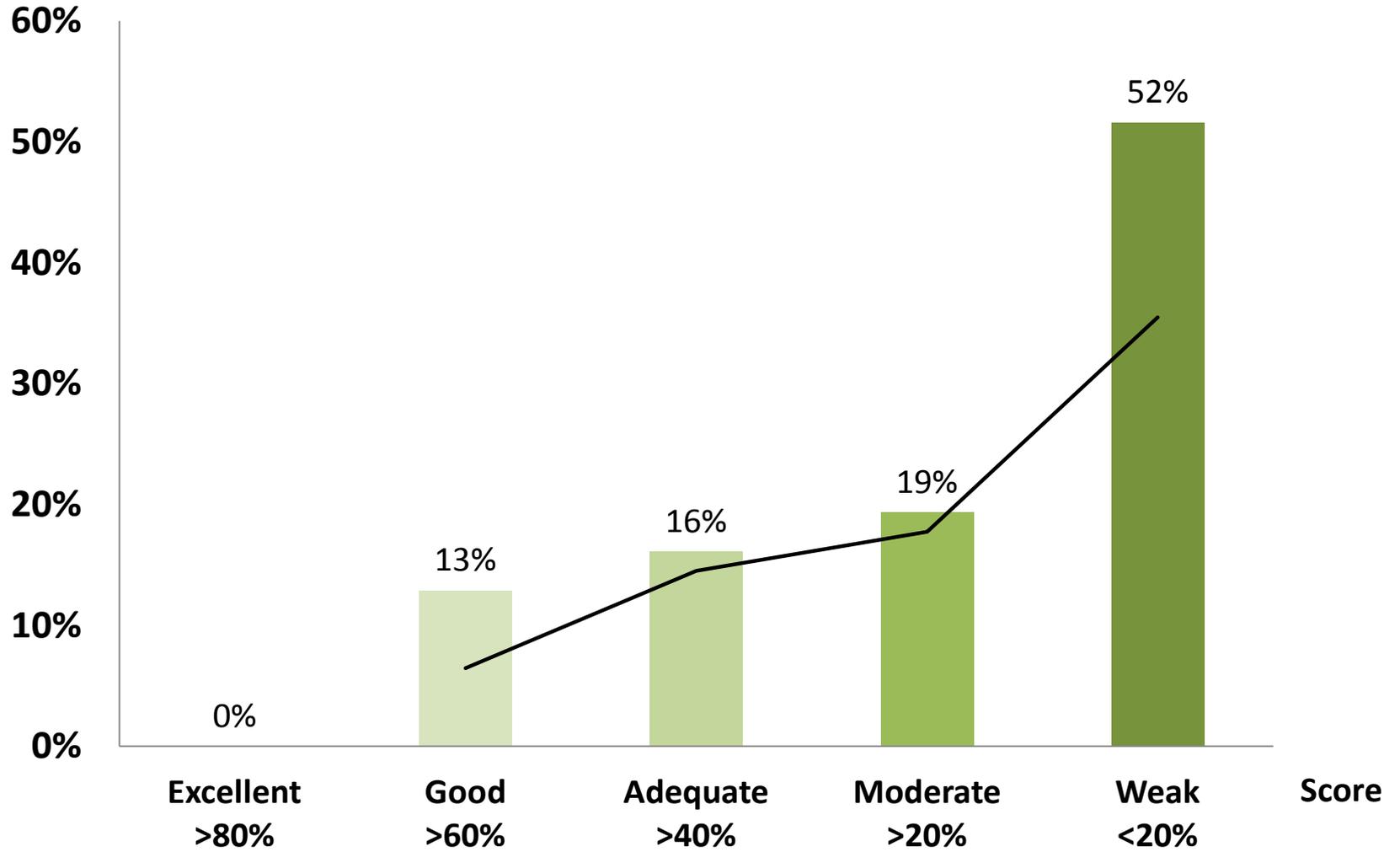
### Green Index, region



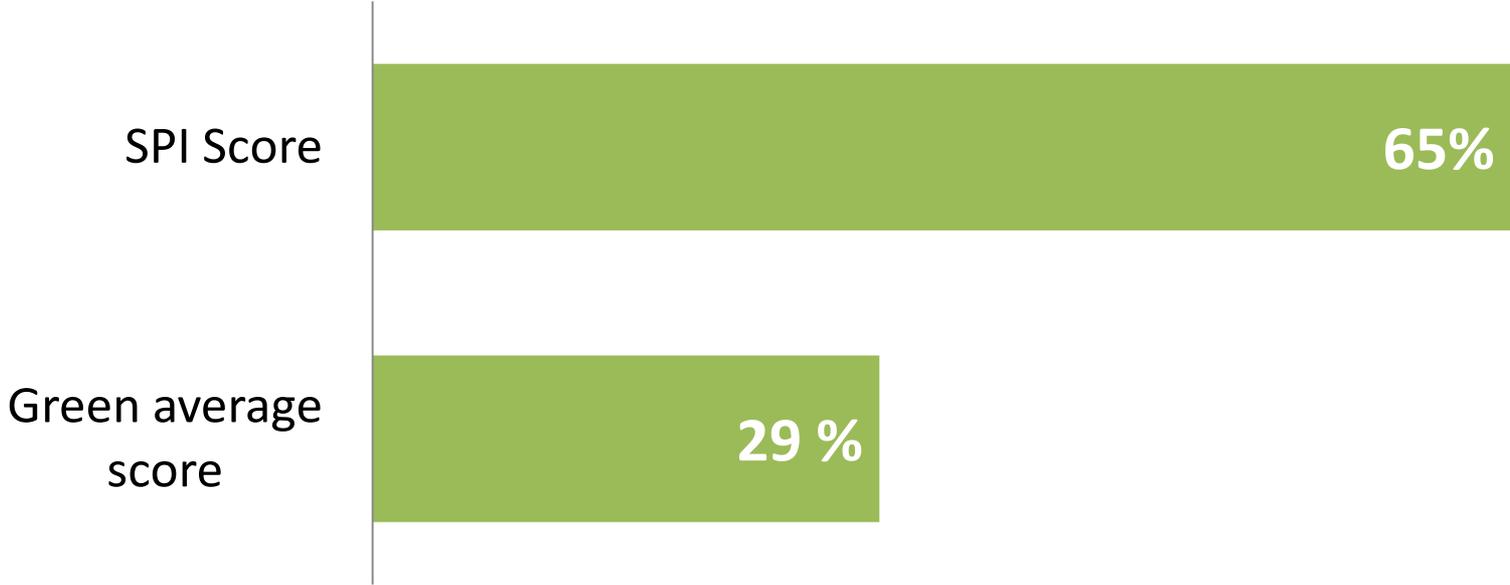
### Green dimension, charter type



## % of MFIs by green performance score



# Green Index score compared to social (SPI4) score



# Key lessons

- New issue, many MFIs don't see the relevance, practices are lagging
- **Beginners**
  - Learning tool : Contributes to raise awareness of MFIs  
*'Now I see what you mean by Green'*
  - Helps MFIs to meet their reporting obligations
  - Facilitates the work of TA providers with partner MFIs
- **More advanced MFIs**
  - consciously manage their environmental performance
  - structure improvements and implement quick wins

# Contact:

[www.cerise-microfinance.org](http://www.cerise-microfinance.org)

[www.cerise-spi4.org](http://www.cerise-spi4.org)

[ma.benard@cerise-microfinance.org](mailto:ma.benard@cerise-microfinance.org)

Expertise for Transparency in Microfinance

# Green index in Social Rating

## Findings and Cases studies

Microfinance and environment action group

E-MFP

Luxemburg, Nov 2015

# Outline

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## PART 1: SOCIAL RATING GREEN METHODOLOGY & FINDINGS

- a) Social Rating green methodology: Green Index
- b) Overall findings

## PART 2: GREEN CASE STUDIES FROM SOCIAL RATINGS

- a) Green index: Performance of a typical MFI
- b) Selected Green index indicators: Moderate and good performance of different MFIs

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# PART 1

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a) Social Rating green methodology: Green Index

# Social Rating | External validation of the Green Index

MicroFinanza Rating **Social Rating** provides an on-site external validation of the **Green Index**\*.

## Social Rating

### Green index

3 standards

4 essential practices

11 indicators

\*The **Green Index** results from a collaborative work between various organizations and experts. It was presented in October 2014 by the European Microfinance Platform Action Group on Microfinance & Environment and it will be improved after the current testing phase. The tool is included in CERISE's Social Performance Indicators tool and in MicroFinanza Rating Social Rating.

# Social Rating | Methodology applies the green index

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## Green index

Green a	The institution addresses environmental issues through a formalized strategy.
Green a11	The institution defines its environmental strategy.
Green a12	The institution implements its environmental strategy.
Green b	The institution manages its environmental risks.
Green b11	The institution implements actions to reduce its internal ecological footprint.
Green b12	The institution monitors its internal environmental risks.
Green b21	The institution evaluates the level of environmental risk of its clients.
Green b22	The institution includes the level of environmental risk as a factor in the loan approval.
Green b23	The institution monitors the external environmental risks.
Green b24	The institution raises clients' awareness on environmental risks.
Green c	The institution fosters green opportunities.
Green c11	The institution provides specific green loan products.
Green c12	The institution provides other green financial products.
Green c13	The institution provides green non-financial services.

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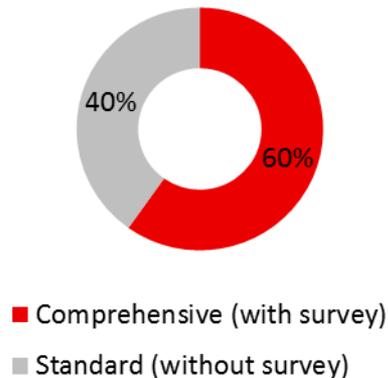
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## b) Overall findings

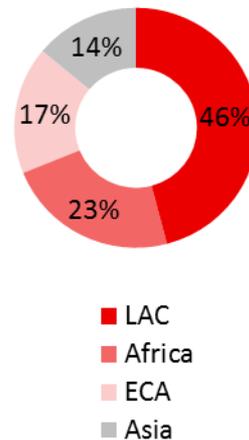
# Overall findings | Source of data

172 Social Ratings conducted by MicroFinanza Rating from 2007 to date in 47 countries

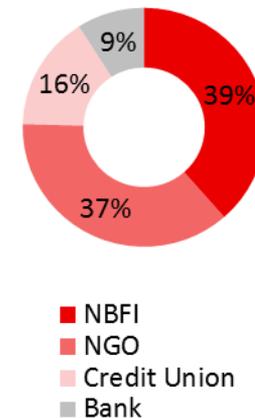
Social Rating, product



Social Rating, region



Social Rating, charter type



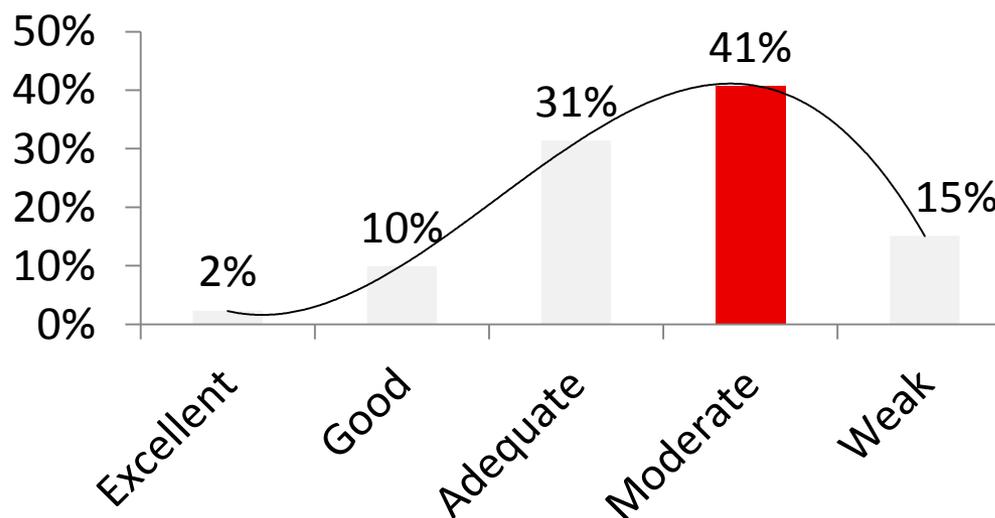
The green index results are obtained from the social ratings conducted from 2007 by:

- Mapping the environmental performance indicators used in Social Ratings from 2007 to 2015 to the Green index indicators integrated in the Social Rating methodology starting from 2015;
- Back-testing the environmental performance results according to the green index structure.

# Overall findings | Green Index score

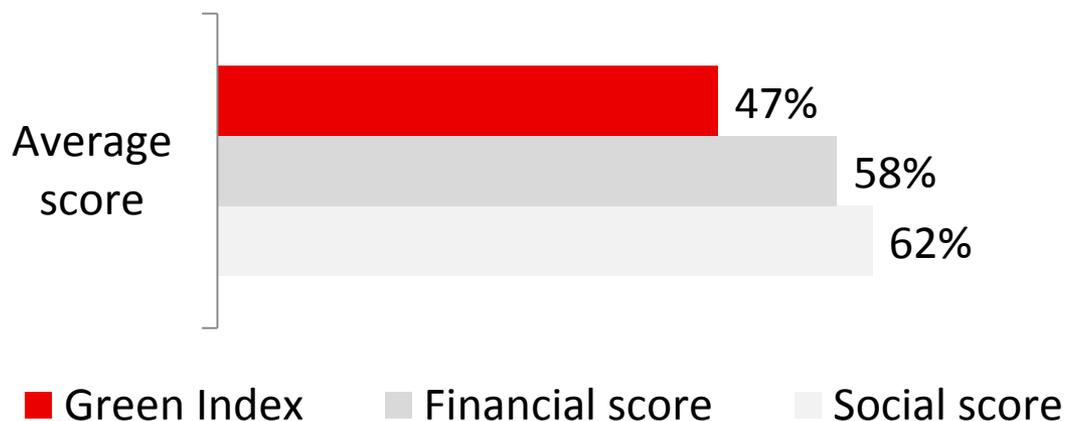
The most frequent total green index score is moderate (41% of MFIs with a social rating), followed by adequate (31% of the cases) and weak (15%).

## % of MFIs by Green Index performance, MicroFinanza Rating

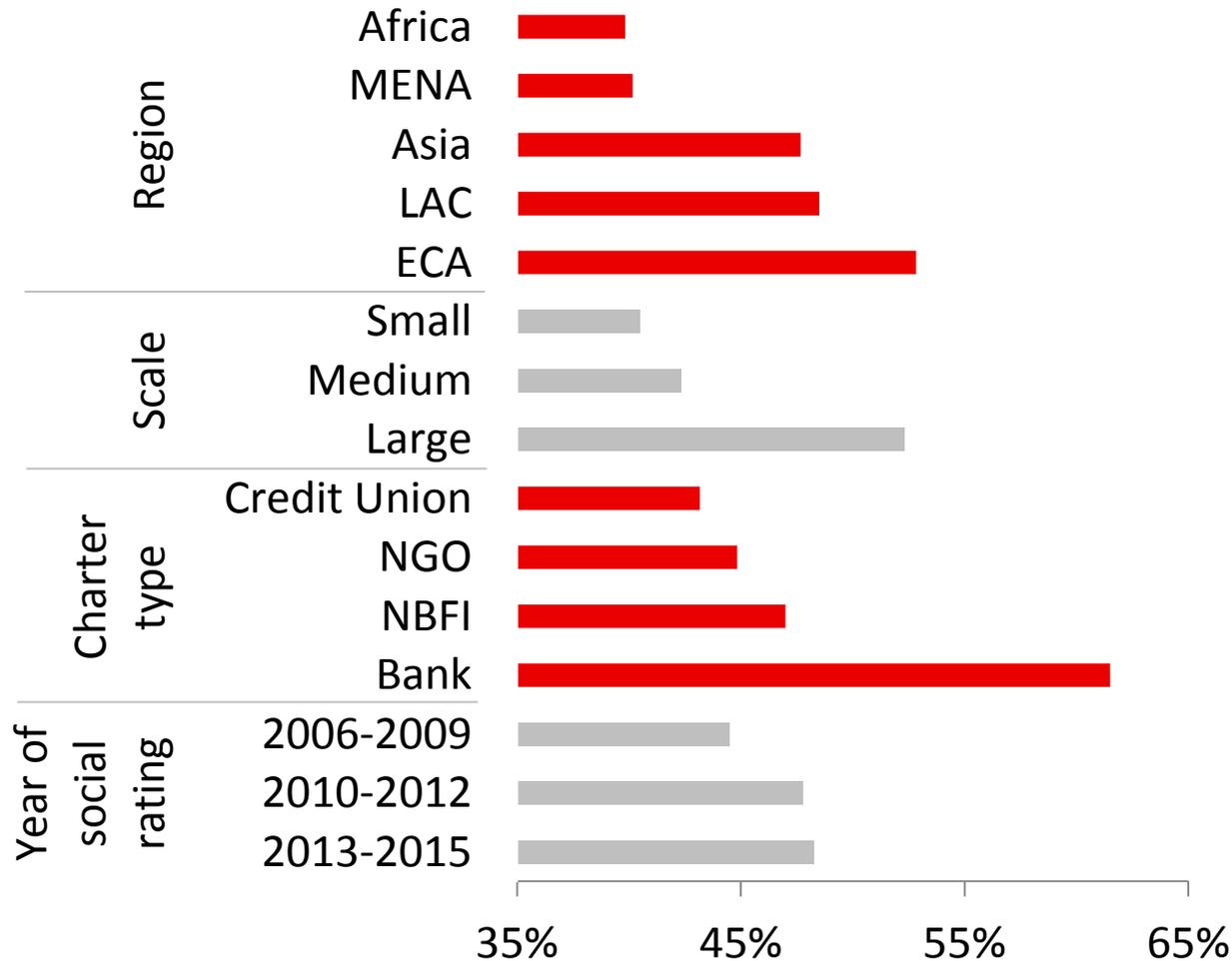


The green index score is lower than the overall social performance and financial performance scores on average: only a share of the double bottom line FIs demonstrate to have a triple bottom line.

## Green index compared to financial and social performance



# Overall findings | Green Index breakdown



**Green Index,  
breakdown**

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## PART 2

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a) Green index:  
Performance of a typical MFI

# Typical findings | 1

Green index selected indicators	Typical finding in Social Rating
Green b11: The institution implements actions to reduce its internal ecological footprint.	Punctual environmental initiatives such as organization of clean up drives, tree planting are promoted in some areas of the organization every two years on average in the last 5 years.
Green b12: The institution monitors its internal environmental risks.	There are no formalized and uniformly applied policies for tracking and monitoring the ecological foot print of the institution. The monitoring not yet conducted in a formal and period way.
Green b21: The institution evaluates the level of environmental risk of its clients.	Portfolio environmental risk is not assessed through specific environmental risk assessment tools.
Green b22: The institution includes the level of environmental risk as a factor in the loan approval.	A complete environmental policy is not present or it is not fully formalized. A general list of activities whose financing is prohibited is in place, reflecting the minimum legal requirements of the country and some clauses included in the international loan agreements. However, there are shortcomings in the monitoring of the compliance to the policies and their enforcement.

## Typical findings | 2

Green index selected indicators	Typical finding in Social Rating
Green b24: The institution raises clients' awareness on environmental risks.	<p>In the case of some loan products the field staff is informally instructed to sensitize borrowers about the environmental impact of particularly risky activities financed.</p> <p>The institution was engaged in environmental awareness trainings for the clients in the last 5 years. The trainings are not offered any more due to the closure of the funding project.</p>
Green c11: The institution provides specific green loan products.	<p>The demand among the target population and the increasing availability of technical providers in the country constitute a high potential for the FI to offer green financial products. The FI is studying the feasibility of introducing and scaling-up loan products for eco-housing, solar panels and water purification.</p>

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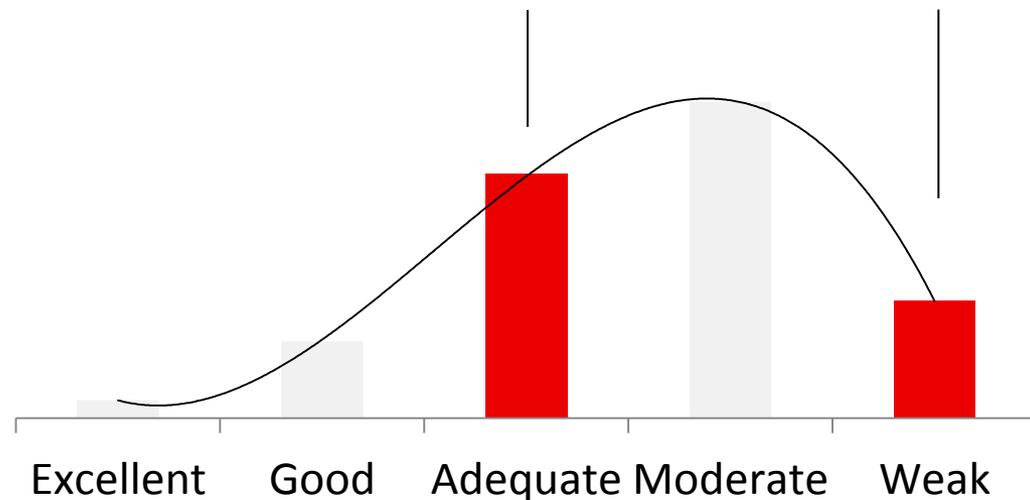
b) Selected Green index indicators:

Moderate and good performance of different MFIs

# Green b11 | Reduce MFI internal ecological footprint

- The environmental policy on the efficient use of energy and resources expected of the staff is included in the HR manual.
- The annual report includes qualitative and quantitative indicators on the energy efficiency of the MFI
- The procurement policy details the environmental criteria for purchasing the equipment.

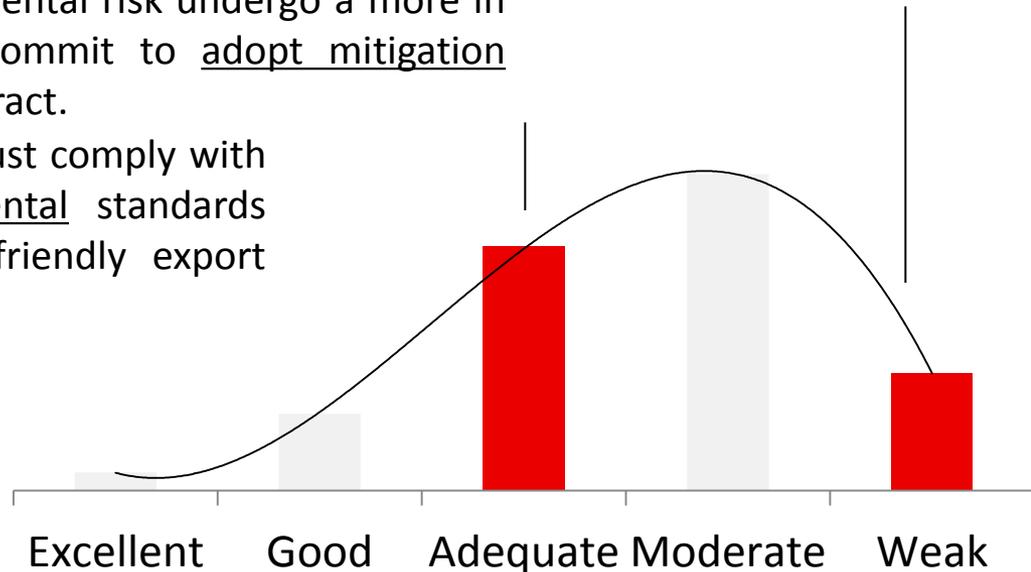
No specific initiative to encourage energy and resources saving at the MFI level (light, water, paper) has been taken so far.



# Green b22 | Environment in the loan approval

- The environmental risk management toolkit informs the loan approval process on the activity impact assessment, criteria for risk classification and risk mitigation. Staff training is on-going.
- Loan officers are responsible to avoid deforestation effects (e.g. charcoal burning) and client use of harmful chemicals.
- Due to the risk of deforestation, agricultural activities located in areas bordering the forest land are not financed.
- The activities with high environmental risk undergo a more in depth assessment and clients commit to adopt mitigation measures by signing the loan contract.
- The clients with a 'Fruity' loan must comply with the European Union environmental standards and gradually achieve the eco-friendly export certification.

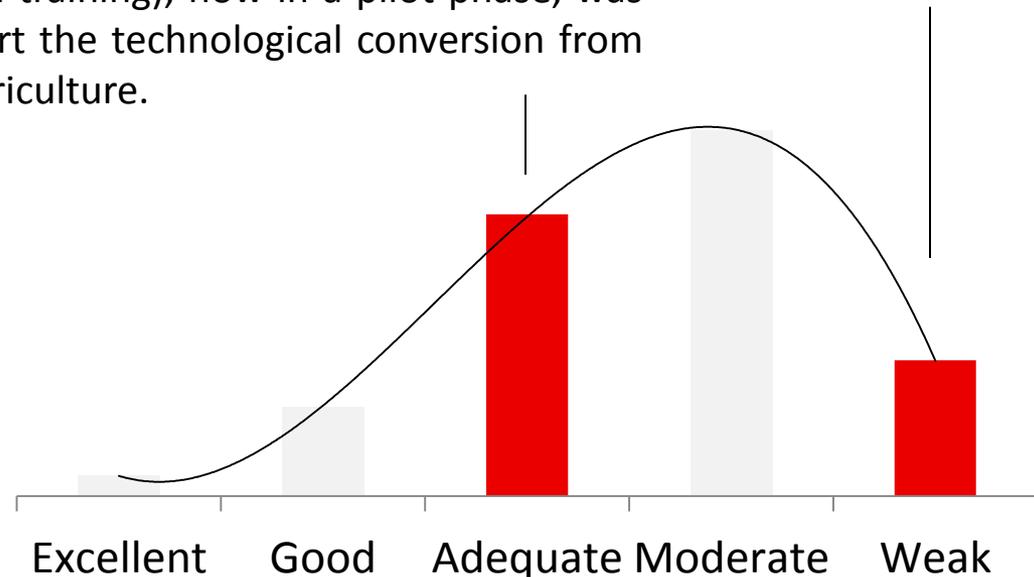
The exclusion list does not specifically cover the activities harmful for the environment.



# Green c11 | Specific green loan products

- The MFI has been selected to implement USAID US\$ 1M project on solar panels
- A bio-digester loan is available to clients living in villages without electricity.
- A special toilet loan is being designed for households living alongside the riverbanks.
- The green package (credit and training), now in a pilot phase, was specifically designed to support the technological conversion from extensive to semi-intensive agriculture.

The loan products do not present specific features to substantially manage the environmental risk.



Thank you

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**Aldo Moauro**

[www.microfinanzarating.com](http://www.microfinanzarating.com)

# Green microfinance: What Quantitative Indicators?

*European Microfinance Week  
Training on environmental management and  
green products for MFIs*

*18 November 2015*



*Promoting financial inclusion  
through data and insight*

AXIS	INDICATOR
Policy	Having a formal written environmental policy
Footprint	Tracking the change in electricity consumption
Awareness-raising	Offering awareness-raising/training activities for clients/community
Risk-assessment	Assessing environmental risk at loan application
	Assessing environmental risk of outstanding loans
Green products and services	Providing green loans
	Providing micro-insurance to increase environmental resilience



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PLATFORM  
NETWORKING WITH THE SOUTH

Survey sent to 204 MFIs

87 respondents

REGION	% respondents
Latin America and The Caribbean	28%
Eastern Europe and Central Asia	24%
South Asia	24%
East Asia and the Pacific	11%
Sub-Saharan Africa	8%
Middle East and North Africa	5%

Does your institution track the number of outstanding green loans? Please note: "green loans" comprise any specific and dedicated environmentally-friendly financial product designed with the objective to generate positive environmental outcomes, including: renewable energy, energy efficiency, organic farming, waste management, agroforestry or silvopasture, clean water, etc.

If your institution does track the number of outstanding green loans, please report the following:

- ✓ Number of outstanding green loans at FYE14
- ✓ Amount of outstanding green loans at FYE14 (Local currency)
- ✓ Amount of outstanding green loans at FYE13 (Local currency)
- ✓ Please specify what types of green loans your institution offers (e.g. renewable energy, energy efficiency, organic farming, waste management, agroforestry, silvopasture, clean water, etc.)

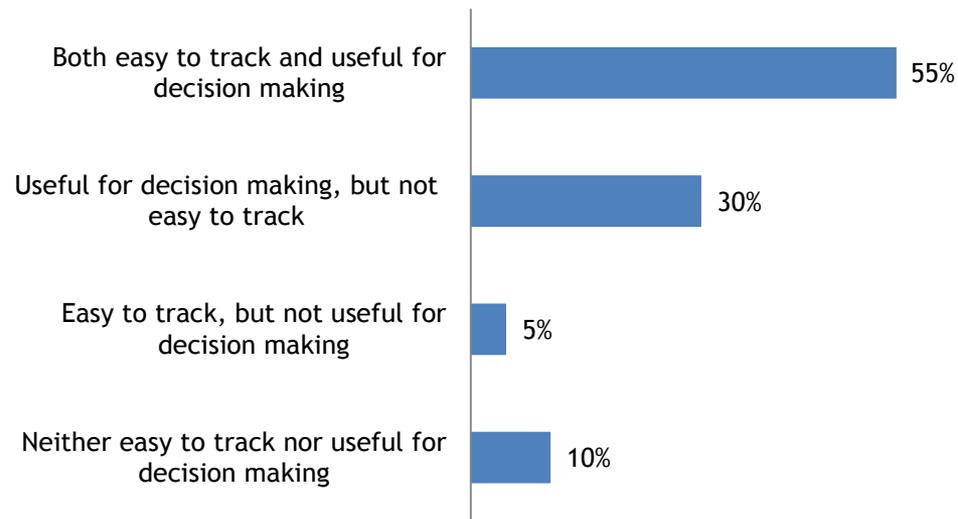
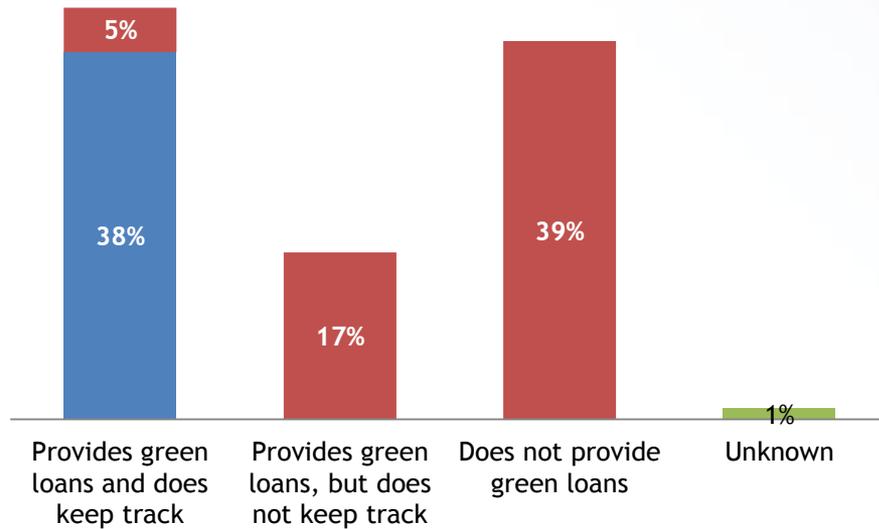
Do you find this data to be easy to track and/or useful for decision making?

**Be specific**

**Diversity matters**

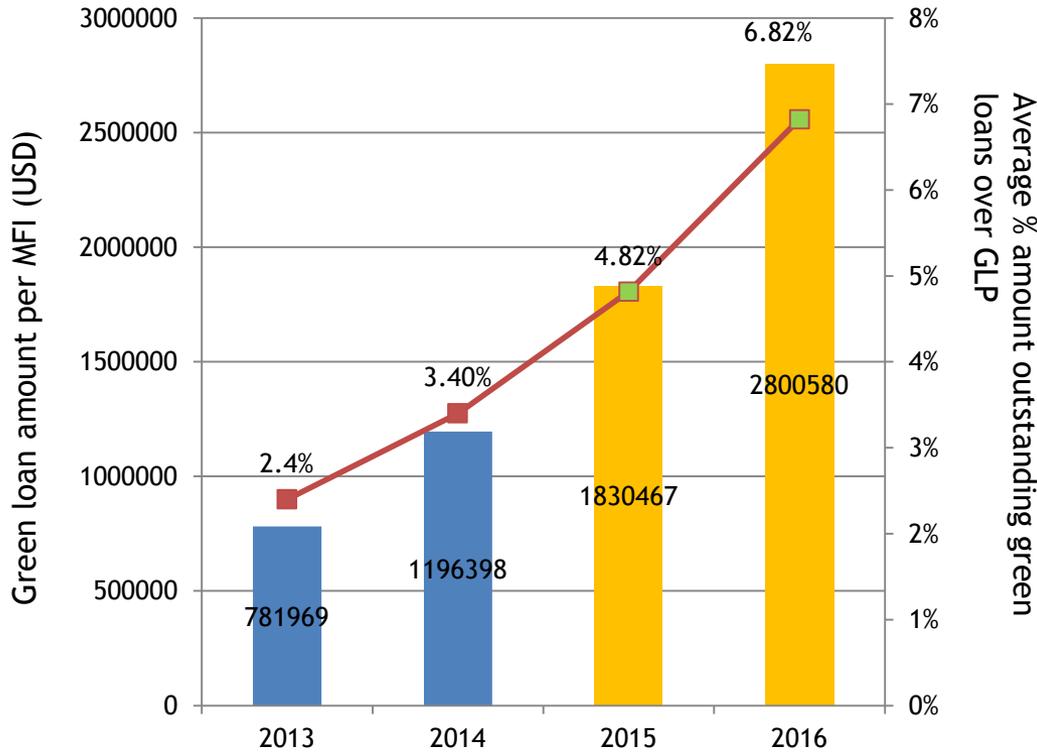


Reported Did not report Unknown





# Trends and forecast FY13 and FY16



- Between FY 2013 and FY 2014:
- The average volume of green portfolio jumped by more than 50%
  - The percentage of the portfolio dedicated to green loans increased from 2.4% to 3.4%

- ✓ Green loans amount
- ✓ Average % amount green loans over GLP
- ✓ Number of green loans

	2013	2014	2015	2016
<b>Number of green loans per MFI</b>	530	811	1241	1898

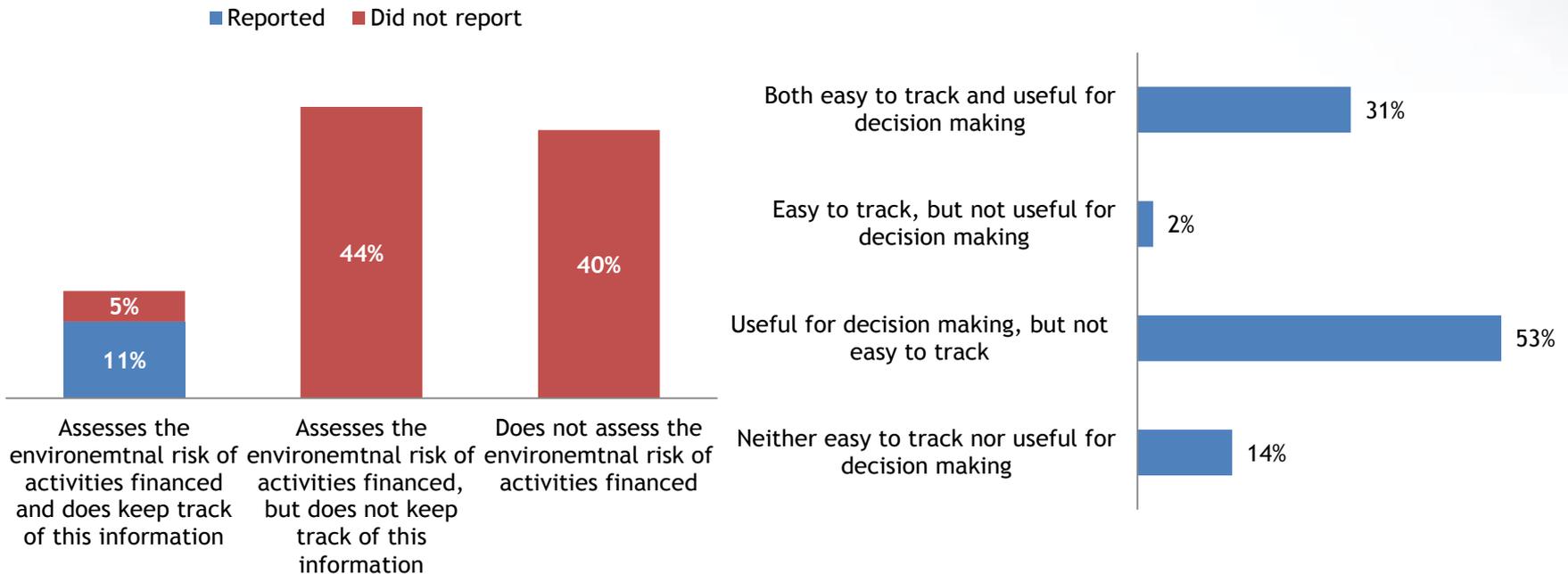


# Environmental Risk Assessment of Outstanding Loans

Does your institution track the number of outstanding loans judged environmentally-risky?

If your institution does track the number of outstanding loans judged environmentally-risky, please report this number at FYE 14.

Do you find this data to be easy to track and/or useful for decision making?





# Interpretation of and proposed changes to external risk management indicator

**Clients' decision:** clients who are aware of their MFI's rejection policy might either apply for a loan with a different purpose than the intended one or directly seek other sources of financing



Post-disbursement assessment

**Multiple assessment tools:** this number might be lower for MFIs that do not have assessment tools other than the exclusion list compared to MFIs that use, for instance, a formal loan environmental assessment form, or a scorecard for type of fertilizers or seeds used



Review processes in place to judge the environmental risk of outstanding portfolio

Combine the quantitative information with a more process-focused insight

Indicator	Does it	Easy to track	Useful for decision-making
Offer green loans	60%	60%	85%
Track the change in electricity consumption	24%	56%	83%
Offer awareness-raising / training activities for clients/community	59%	49%	83%
Offer micro-insurance to increase environmental resilience	15%	43%	84%
Assess environmental risk at loan application	68%	39%	83%
Assess environmental risk of outstanding loans	60%	33%	84%

1. A comprehensive interpretation of quantitative figures often goes hand-in-hand with qualitative information
2. An important gap persists between the usefulness of an indicator and the MFI's capacity to track it
3. Institutions not always have enough incentives to track indicators even when they would be able to do so

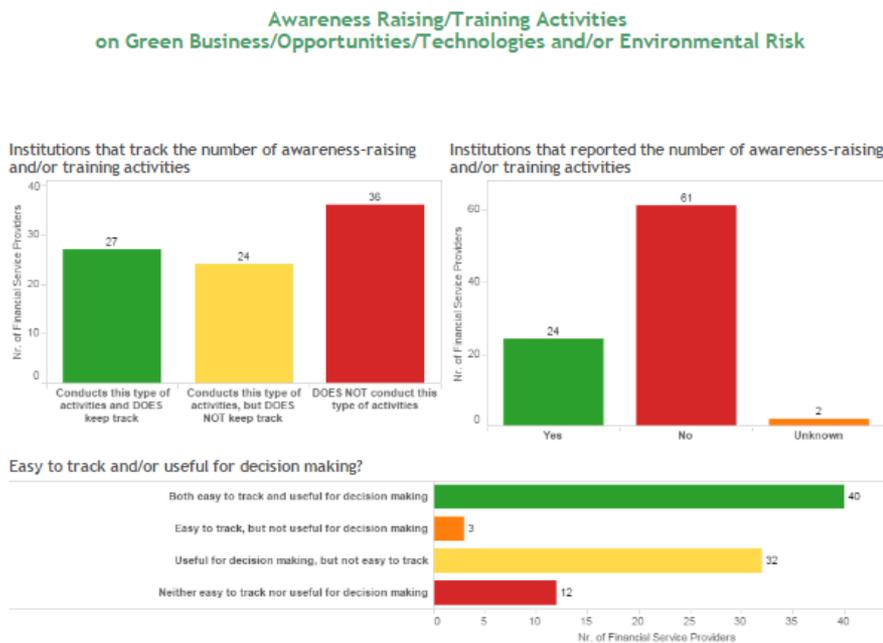
## Tableau

## MIX website

### [Survey dashboard](#)

“Assessing Green Microfinance: Qualitative and quantitative indicators for measuring environmental performance”

Full report available [here!](#)





# Questions?

[apierantozzi@themix.org](mailto:apierantozzi@themix.org)



# MIX's green performance indicators

## Please indicate whether you have any of the following environmental policies in place:

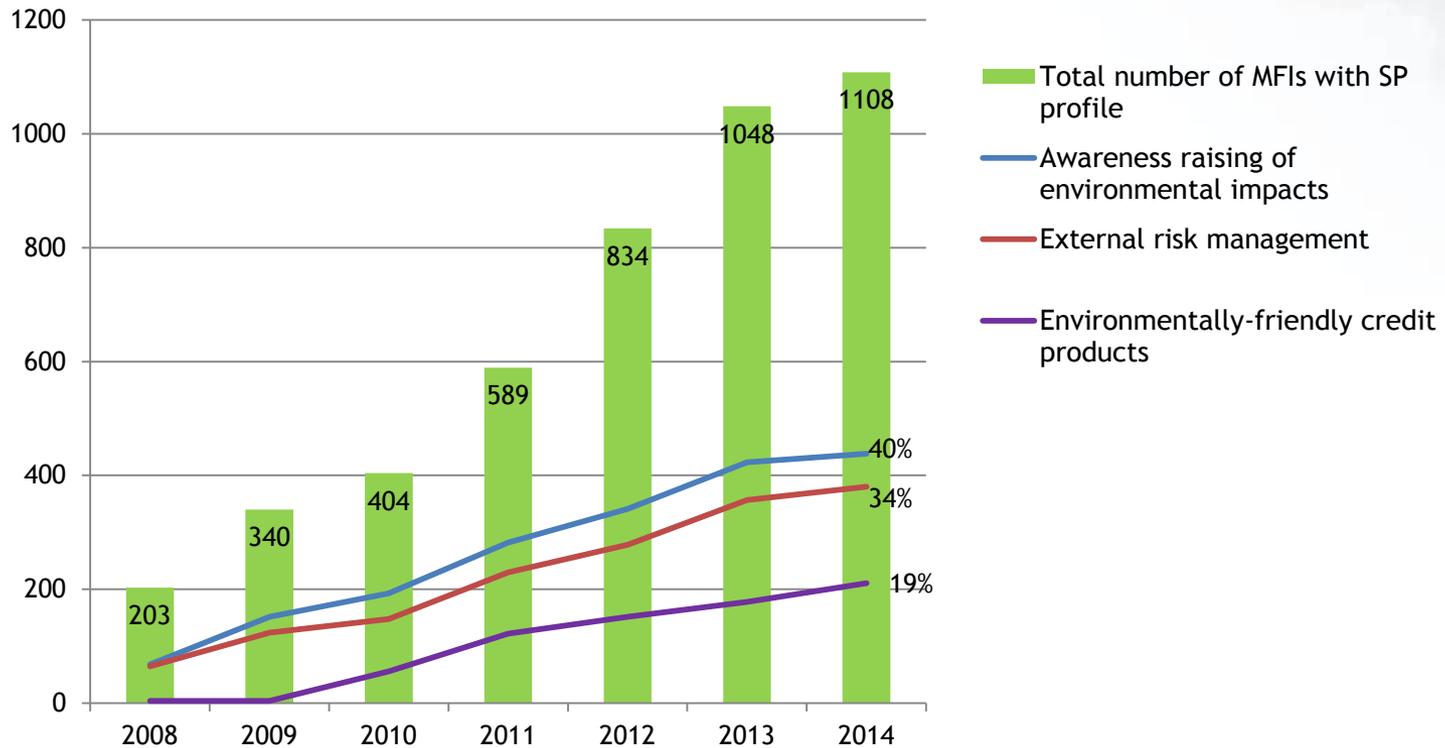
- The institution conducts activities related to raising awareness of environmental impacts, such as: running training sessions and discussions, displaying posters, distributing flyers, etc. ⓘ
- The institution includes clauses in loan contracts that require clients to improve environmental practices/mitigate environmental risks. ⓘ
- The institution uses specific tools to evaluate the environmental risks of clients' activities (categorizing client risk levels by sector, surveying environmental impacts, use of an exclusion list, etc.) ⓘ
- The institution offers specific loans linked to environmentally friendly products and/or practices. ⓘ
- None of the above

## Please indicate the types of environmentally friendly products and/or practices for which your institution offers specific loans:

- Products related to renewable energy (e.g. solar panels, biogas digesters, etc.) ⓘ
- Products related to energy efficiency (e.g. insulation, improved cook stoves, etc.) ⓘ
- Environmentally friendly practices or products related to environmentally friendly practices (e.g. organic farming, recycling, waste management, agroforestry or silvopasture, clean water, etc.) ⓘ
- None of the above



# Evolution of green performance reporting to MIX



reports.mixmarket.org



# Global Partners



Citi Foundation



## Interactive Platforms



## Social Media



[/MicrofinanceInformationExchange](https://www.facebook.com/MicrofinanceInformationExchange)



[@mixmarket](https://twitter.com/mixmarket)

## Headquarters

2020 Pennsylvania Avenue, NW #353  
Washington, DC 20006 USA  
[www.themix.org](http://www.themix.org)

## Regional Offices

**Baku, Azerbaijan**  
44 J. Jabbarli St.  
Caspian Plaza I  
5<sup>th</sup> Floor  
Baku, Azerbaijan

**Hyderabad, India**  
801-A, 8<sup>th</sup> Floor  
The Platina, BIT-II, APHB  
Gachibowli, RR District  
Telangana 500032  
India

**Lima, Perú**  
Jirón León Velarde 333  
Lince  
Lima 14, Perú

**Dakar, Sénégal**  
Villa n° 4  
Rue YF-632  
Cité Ablaye Thiam  
Ouest-Foire  
Dakar, Sénégal



# Green Performance Agenda

*Geert Schuite*

*HIVOS / Enclude*



# Basic Principles

- MFI is Owner
- MFI is Pro-active
- Optimal 'Green' agenda is context specific
- Green is about opportunities, but not just
- Action is informed by 'gaps' (current reality vs optimal)
- Need prioritize action items

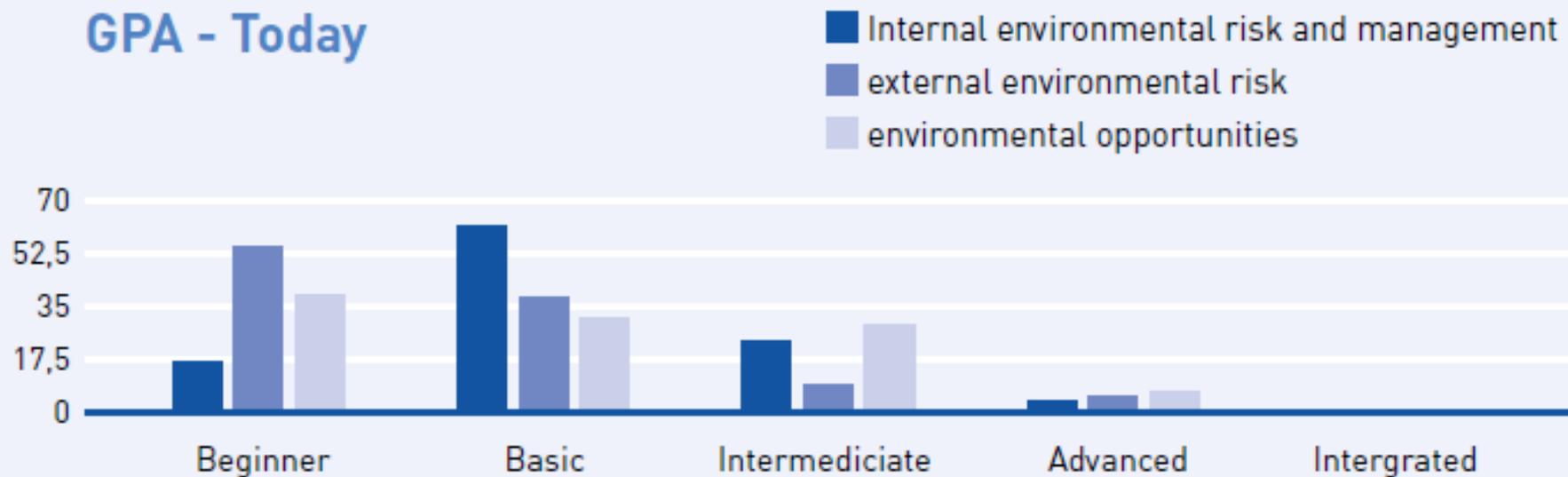
# Environmental Agenda Elements

GAP?

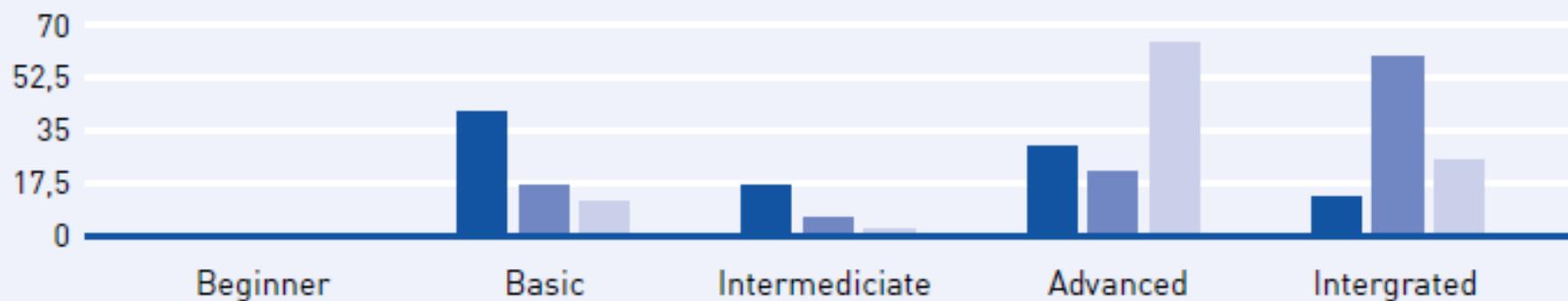
**ACTION!**



## GPA - Today



## GPA - Tomorrow



# ADA's Green Microfinance Activities



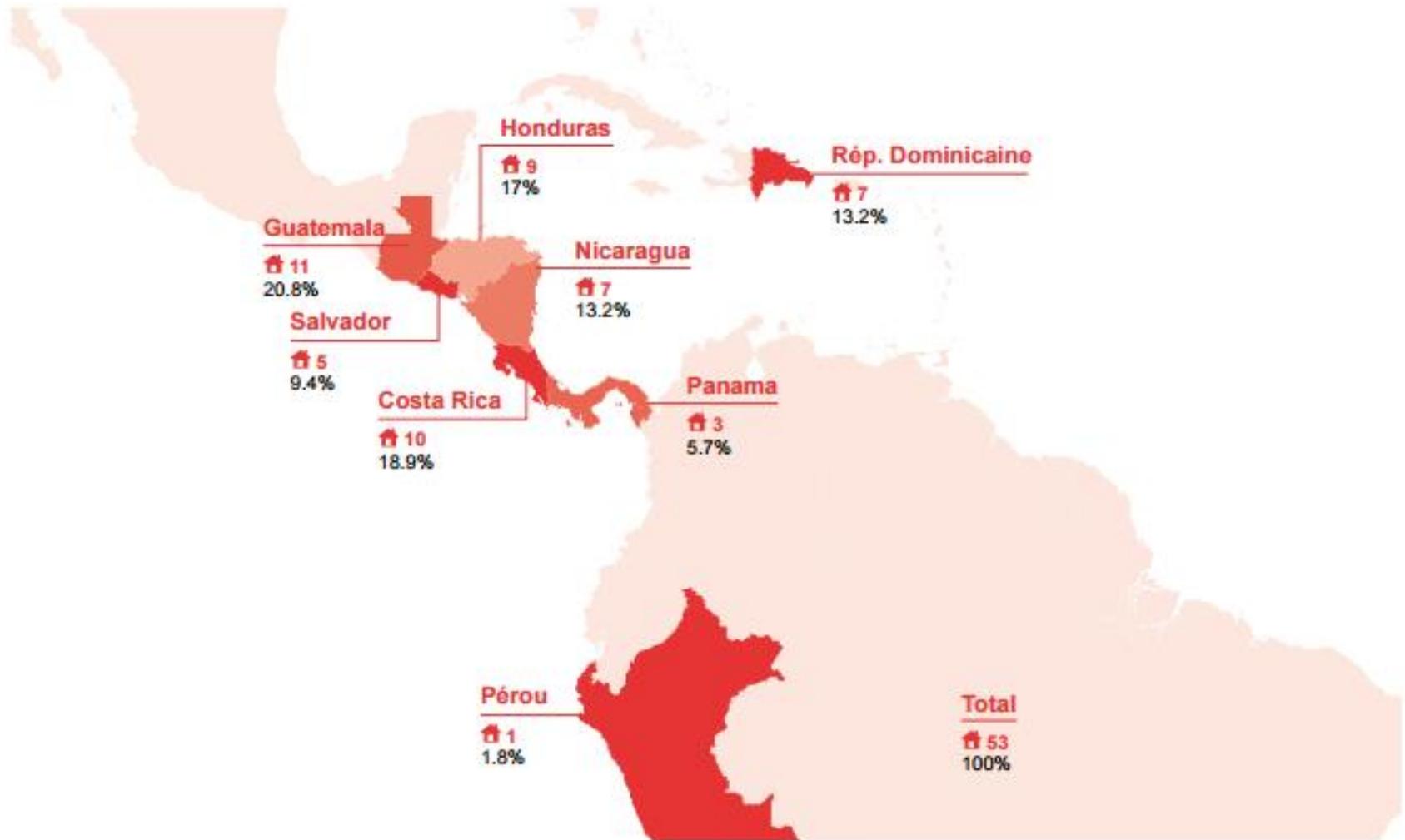
**Juana Ramirez**  
**Project Officer**  
**Research and Development**

# Activities in Central America and South America

- State of the practice of environmental protection within members of the REDCAMIF Network
- Research group IOB, Nitlapan and ADA
- SPI4 Audit in a Cooperative in Perou

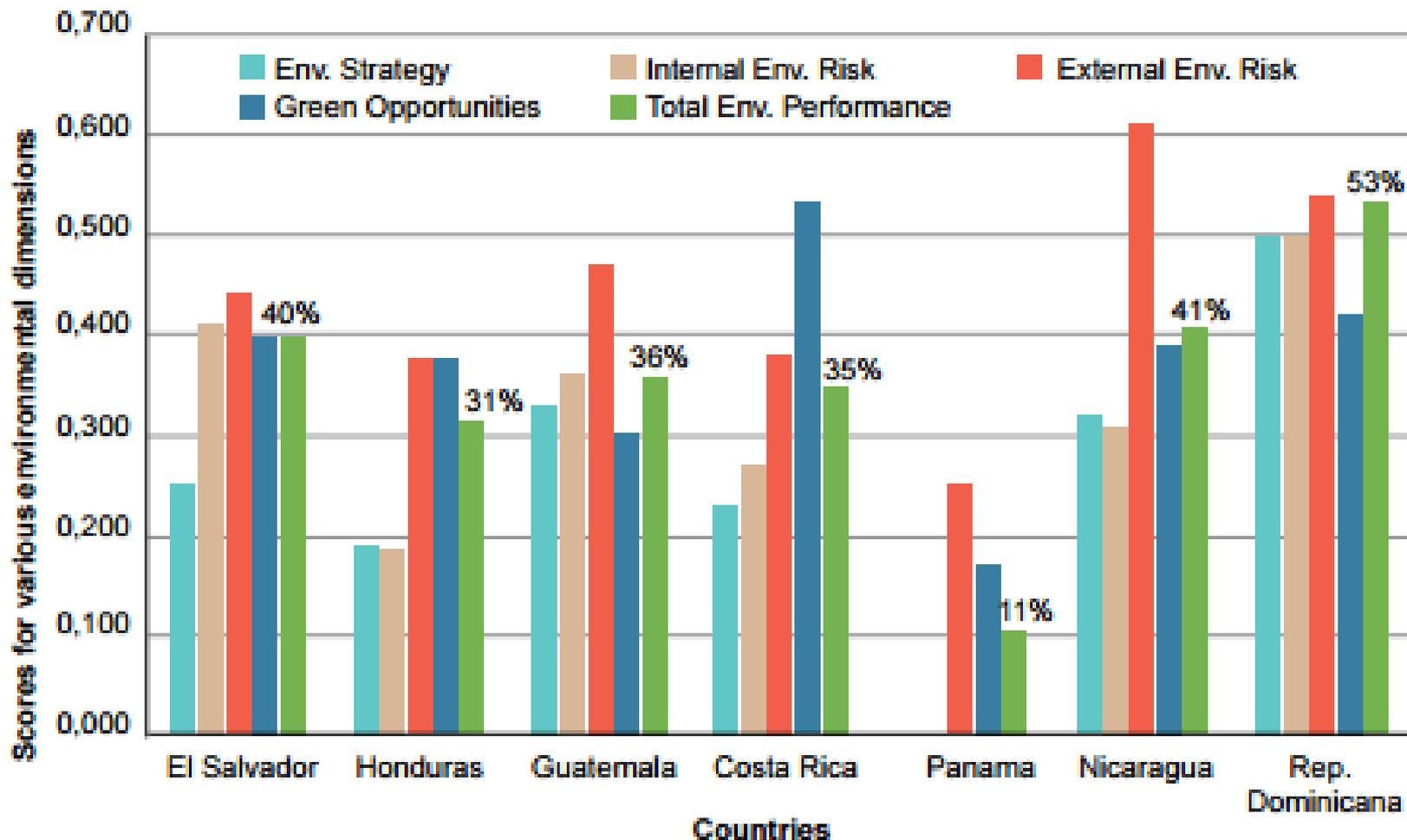


# MFIs represented in ADA's Sample



Source: Revue Passerelle N°1

Figure 2: Average scores per environmental dimension and per country



Source: Revue Passerelle N°1

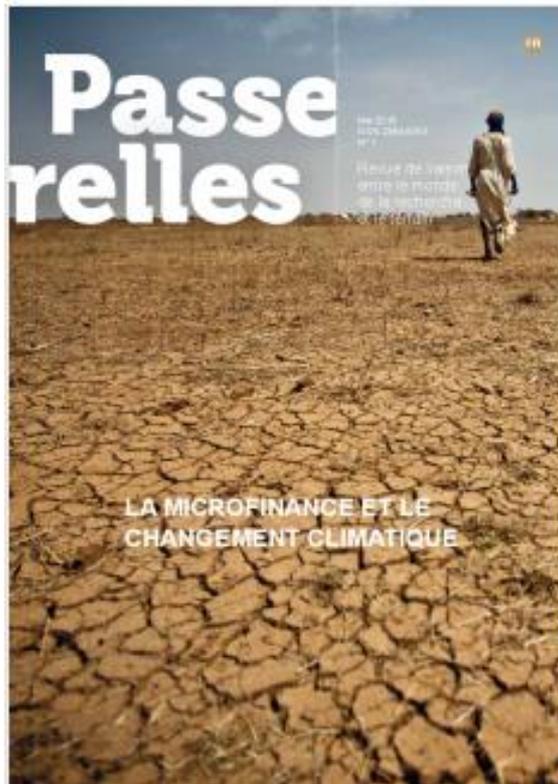


**Table 4: Evolution of environmental performance between 2011 and 2014 in Central America**

Green Index standards	Indicators	Central America scores (Allet, 2011) – 6 MFIs	Central America scores (ADA, 2014) – 36 MFIs
<b>The institution addresses environmental issues through a formalized strategy</b>		<b>9%</b>	<b>23%</b>
<b>The institution defines and implements its environmental strategy</b>		<b>9%</b>	<b>23%</b>
The institution defines its environmental strategy	Has a formal environmental policy		31%
	Defines its environmental strategy	0%	
The institution implements its environmental strategy	Has a person / dedicated staff appointed to manage environmental issues		15%
	Reports on the MFI's environmental practices	17%	
<b>The institution manages its environmental risks</b>		<b>33%</b>	<b>33%</b>
<b>The institution manages its internal environmental risks</b>		<b>42%</b>	<b>27%</b>
The institution implements actions to reduce its internal ecological footprint	Conducts activities to raise employees' awareness of good practices in paper, water and energy consumption, waste management, etc.	50%	17%
The institution monitors its internal environmental risks	Tracks the achievement of quantitative objectives set for paper, water, and energy consumption, waste management, and/or carbon emissions	33%	37%
<b>The institution manages its external environmental risks</b>		<b>25%</b>	<b>38%</b>
The institution evaluates the level of environmental risk of its clients	Uses specific tools to evaluate the environmental risks of clients' activities (sectorial factsheet, surveys, etc.)	33%	41%
The institution includes the level of environmental risk as a factor in the loan approval process	Refuses to finance environmentally-risky activities (use of an exclusion list)	17%	56%
The institution monitors the external environmental risks	Includes indicators into the MIS to track the environmental performance of clients	0%	9%
The institution raises clients' awareness on environmental risks	Conducts activities such as training sessions and discussions / displays posters / distributes flyers on environmental impacts	50%	46%
<b>The institution fosters green opportunities</b>		<b>29%</b>	<b>40%</b>
<b>The institution provides green products and services to its clients</b>		<b>29%</b>	<b>40%</b>
The institution provides specific green loan products:	Specific loan products dedicated to renewable energy and energy efficiency		
	Specific loan products dedicated to promoting environmentally-friendly activities (e.g: recycling, waste management, agroforestry, etc.)	25%	55%
The institution provides green non-financial services:	Training on environmentally-friendly practices or businesses	33%	25%



# Passerelle N° 1



Please download «Paserelles» full document [here](#)

# Policy Brief: Is it possible to finance livestock in a sustainable manner on Nicaragua's agricultural frontier?

## POLICY BRIEF

### Is it possible to finance livestock in a sustainable manner on Nicaragua's agricultural frontier?

September 2015

Manuel Bermúdez<sup>1</sup>  
Selmiria Flores<sup>1,2</sup>  
Milagros Romero<sup>1</sup>  
Johan Bastiaensen<sup>1,3</sup>  
Pierre Marlet<sup>1,3</sup>  
Friedric Hoybrechts<sup>3</sup>  
Gert Van Hecke<sup>1,3,4</sup>  
Juana Ramirez<sup>5</sup>

1. Nitlapan Research and Development Institute, Central American University (UCA), Nicaragua  
2. Institute of Development Policy and Management (IOB), University of Antwerp (UA), Belgium  
3. Direction of Social Research and Projection, Central American University (UCA), Nicaragua  
4. Fund for Scientific Investigation (FWO), Belgium  
5. A DA microfinance, Luxembourg

## Summary

The historically dominant model of extensive cattle ranching in Nicaragua produces a concentration of land in few hands and an expulsion of small farmers toward the new agricultural frontier, thus contributing to social polarization and alarming deforestation. This model is not sustainable in either social or environmental terms. As a consequence, a technological and social transformation is indispensable, moving from exclusionary mono-cattle production to diversification into wooded pasture and agro-forestry farms.

This Policy Brief analyzes the problematic of extensive cattle-ranching and presents policy recommendations for the micro-financing sector and the crucial role of research. It proposes a sustainable and inclusionary financing policy based on:

- 1) A redefinition of the target group of the financing policy to segments of small and medium farmers who show greater receptivity to more intensive cattle ranching and diversification of their farms. This redefinition moves toward the adoption of a territorial approach that permits better knowledge of the families' surroundings, greater local rootedness and greater capacity to differentiate the power relations that generate exclusion.
- 2) A readjustment of the financing approach, geared to medium- and long-term investment for the development of small- or medium-scale wooded pasture systems that combine social responsibility, an environmental focus and productive intensification with better organization of the



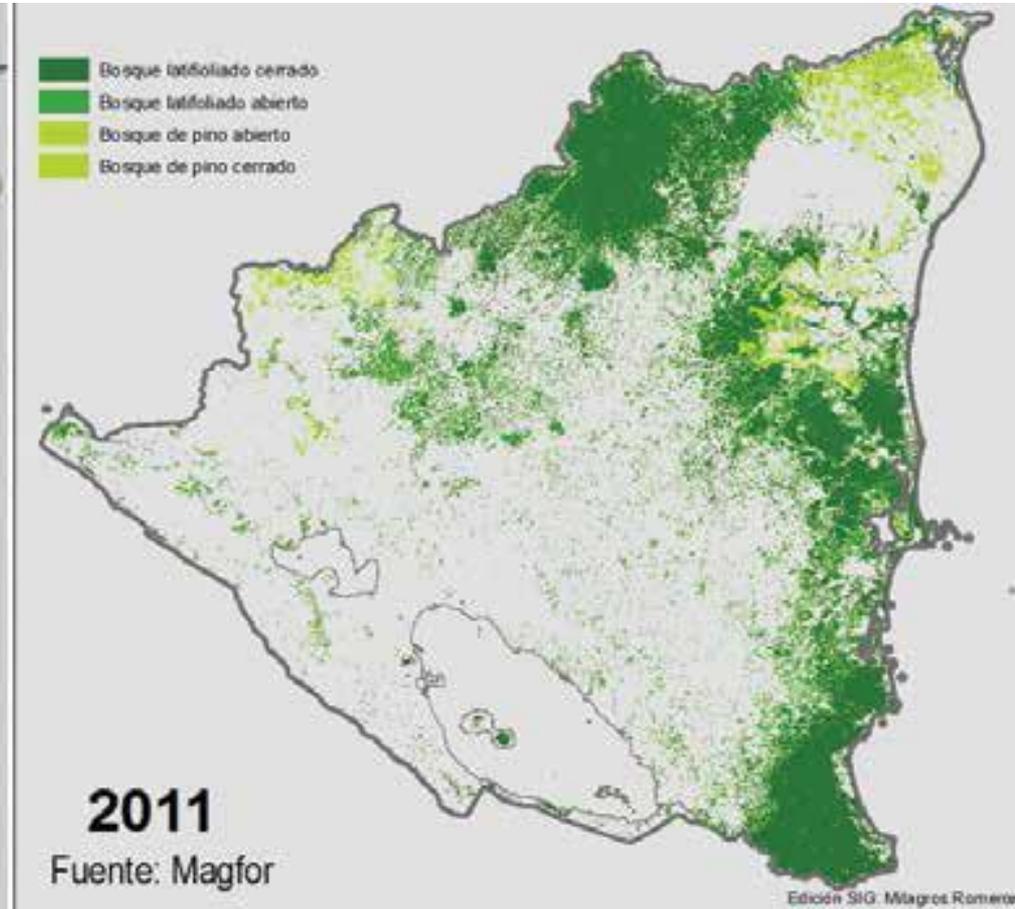
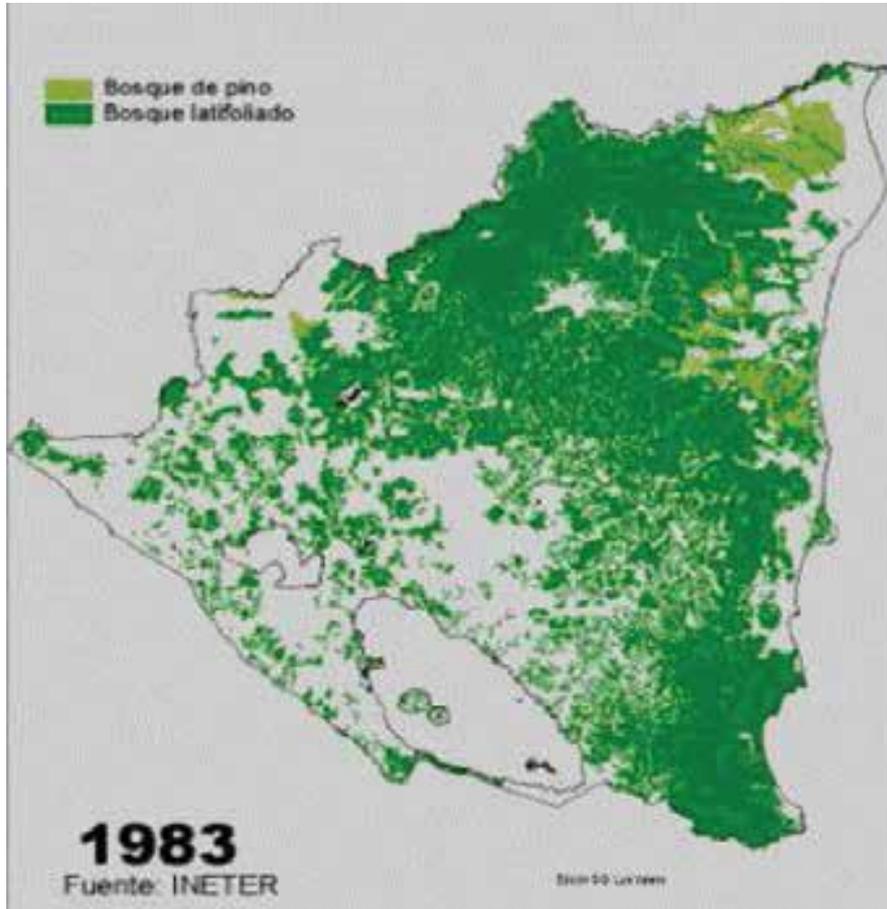
family labor, incorporation of infrastructure and technology and better market insertion.

- 3) The adoption of a research agenda as an instrument of support for the fostering of sustainable cattle ranching, which implies that the micro-financing institutions (MFI)s invest in studies that seek to better understand the capitalization trajectories and livelihoods followed by small and medium producers who make use of productive intensification on their farms.

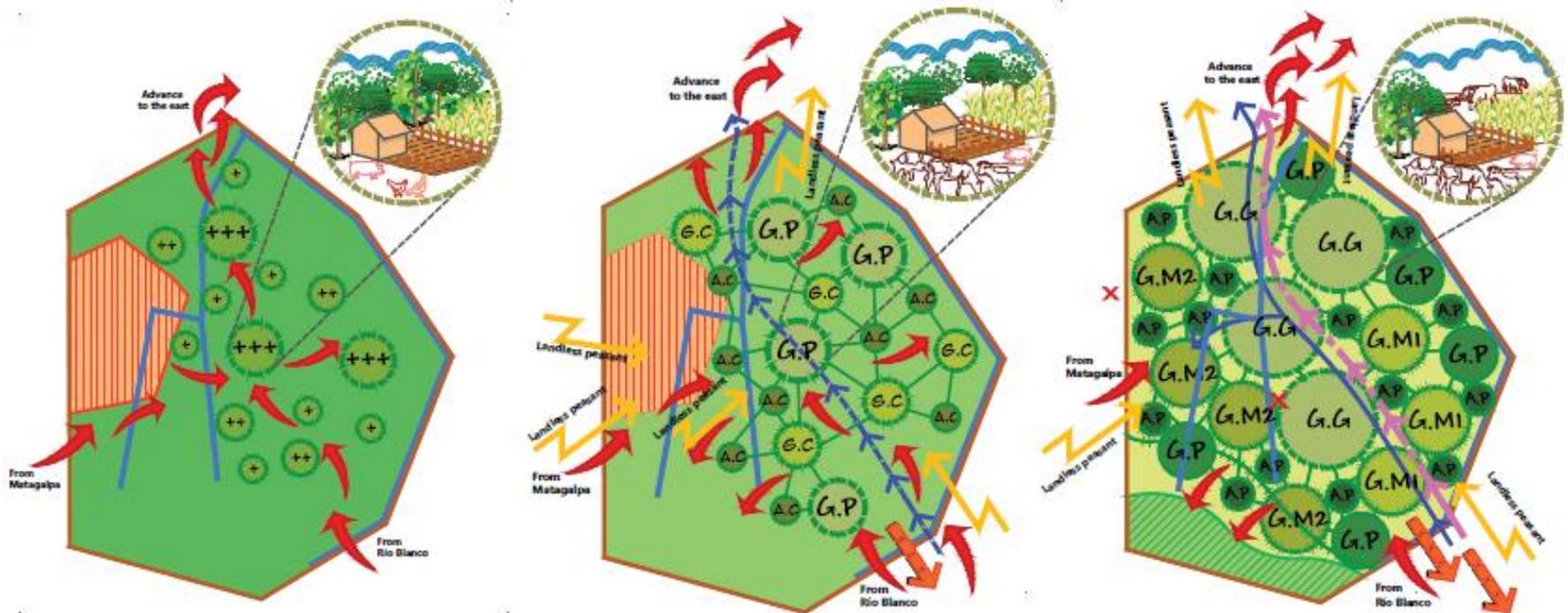
## 1. The dominant model of extensive cattle ranching on the agricultural frontier and its consequences

Nicaragua's agricultural frontier has advanced by rapidly destroying the native forests. This dynamic was only interrupted during the years of armed conflict in the 1980s. The statistics of the National Forestry Institute indicate that the country lost 2 million hectares of forests in the 1983-2000 period, 1.11 million hectares between 2000 and 2011,

# Illustration 1: Change of the forest cover in the country between 1983 and 2011



# Evolution of a micro-territory in Rio-Blanco Nicaragua



# Pre-liminar results Dimension 7 SPI4 – Cooperative Peru

## Resultados Microfinanzas verdes por estándar



Nivel	Número	Título	Puntaje (sobre un total de 100)
Standard	GREEN a	La institución aborda los temas medioambientales a través de una estrategia formal.	60
EP	GREEN a 1	La institución define y aplica su estrategia ambiental.	60
Indicator	GREEN a 1 1	La institución define su estrategia ambiental.	100
Indicator	GREEN a 1 2	La institución aplica su estrategia ambiental.	20
Standard	GREEN b	La institución gestiona sus riesgos ambientales.	13
EP	GREEN b 1	La institución gestiona los riesgos ambientales de carácter interno.	0
Indicator	GREEN b 1 1	La institución adopta medidas para reducir su propia huella ecológica.	0
Indicator	GREEN b 1 2	La institución monitorea los riesgos ambientales de carácter interno.	0
EP	GREEN b 2	La institución gestiona los riesgos ambientales de carácter externo.	25
Indicator	GREEN b 2 1	La institución evalúa el nivel de riesgo ambiental de sus clientes.	50
Indicator	GREEN b 2 2	La institución tiene en cuenta el nivel de riesgo ambiental como un factor en el proceso de aprobación de los créditos.	50
Indicator	GREEN b 2 3	La institución monitorea los riesgos ambientales de carácter externo.	0
Indicator	GREEN b 2 4	La institución concientiza a sus clientes acerca de los riesgos ambientales.	0
Standard	GREEN c	La institución promueve oportunidades verdes.	22
EP	GREEN c 1	La institución ofrece productos y servicios verdes a sus clientes.	22
Indicator	GREEN c 1 1	La institución ofrece productos de crédito verdes.	67
Indicator	GREEN c 1 2	La institución ofrece otros productos financieros verdes.	0
Indicator	GREEN c 1 3	La institución ofrece servicios no financieros verdes.	0



# Next steps

- Inform product design at the level of 13 Institutions working in the framework of the REDCAMIF-ADA Programme of innovative financial services (7 countries)
- Conduct further analysis of ADA's Sample in Central America and Peru
- Analyse 10 pilots implemented an environmental risk management tool designed in cooperation with REDCAMIF



# Thank you for your attention!

**Juana Ramirez**  
**Project Officer Research & Development**  
**[j.ramirez@ada-microfinance.lu](mailto:j.ramirez@ada-microfinance.lu)**

**ADA**  
**39, rue Glesener**  
**L- 1631 Luxembourg**  
**Tel.: +352 45 68 68 1**  
**Fax: +352 45 68 68 68**