



Biodiversity Inclusive Finance
multiple approaches to achieve solutions

17 nov EMW 2022



**How can we regenerate ecosystems
while we strengthen livelihoods...
What is the role of inclusive finance ?**



Speakers



Avril Benchimol



Pedro Marchetti



Alexandre Nayme



Ricardo Segovia



Davide Forcella



What is Biodiversity ?

[BIO] + [DIVERSITY] = [BIODIVERSITY]

Life
(Greek)

Variety
(Latin)

Variety of life

Definition:

“The variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems ”.

<https://www.cbd.int/convention/articles/?a=cbd-02>

Strongly contributes to:

- Disaster resistance
- Food and water supply
- Medications
- Industrial and building materials
- Technological progress
- Better crop varieties, shelter and food for animals
- Ecosystem services: nutrient recycling, pollination, provision of fertile soil, cooling, etc.
- Carbon sequestration
- Recreational, cultural, and aesthetic value

Agro-Biodiversity



The diagram consists of two overlapping ovals. The larger, outer oval is dark green and labeled 'Biodiversity'. The smaller, inner oval is a lighter shade of green and labeled 'Agro-Biodiversity'. The inner oval is positioned such that it is entirely contained within the outer oval, illustrating that agro-biodiversity is a component of the broader biodiversity.

Biodiversity

Agro- Biodiversity

Agro-biodiversity is a component of biodiversity that contributes to agriculture

- crops
- livestock
- forestry
- aquaculture systems
- unharvested species in production ecosystems.

Its conservation is influenced by:

- active management by farmers
- local knowledge and culture
- sustainable practices

Its benefits:

- increase productivity, food security, economic return
- sound pest & disease management
- diversity of production & reduced dependency on external inputs

Why focus on biodiversity?

- 75% of the terrestrial environment severely altered by human actions.
- Productivity of 23% of the land is reduced.
- 577 billion dollars in annual crops are at risk of pollinator loss.
- 100-300 million people exposed to increased risk of floods and hurricanes.
- Up to 1 million species at risk of extinction.
- The poorest and most marginalized people are the most dependent on nature
- Deforestation is linked to higher malaria rates
- Women – 80% of food production in sub-Saharan Africa is done by women
- \$44tn economic value generation dependent on nature

SOURCE: THE IPBES GLOBAL ASSESSMENT REPORT ON BIODIVERSITY AND ECOSYSTEM SERVICES: <https://ipbes.net/global-assessment>

Our World in Data 2021, Climate Policy Initiative (CPI), TNFD, CBD, GEF

Pressure on Biodiversity





Beekeeping
Seed banks

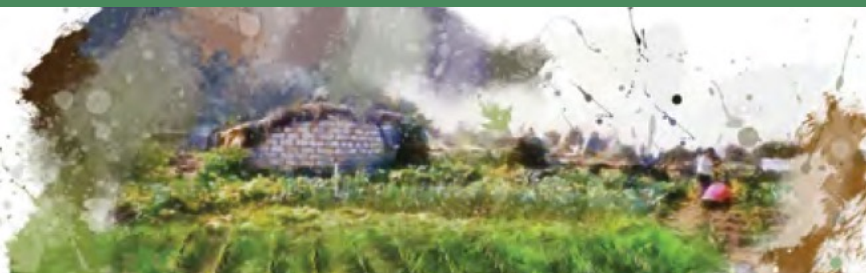
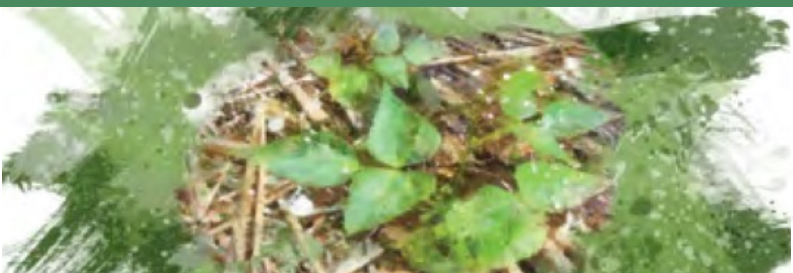
Crop diversification
Biodigester

Mixed nursery
Windbreaks

Ecotourism
Efficient stoves

Organic agriculture
Family gardens

Organic fertilizer
Conservation agriculture



Source:



Biodiversity

Some Experiences in Inclusive Finance



2008 - 2015

USD 56.4 M in loans
biodiversity-friendly MSMEs +
USD 2.3 M in TA
5 countries Central America, 26
FIs, 26k MSMEs



2020

- **735 participants MFIs staff** trainings on biodiversity risks mgt and financing solutions +
- Platform tool by YAPU Solutions
- 11 countries LAC+SSA, 35 MFIs



2020-2021

Development of **indicators for MFIs**, aligned with Green Index 3.0 of the GICSF-AG & MEbA

status & potential progress in biodiversity & climate change adaptation for MFIs



20012 - 2020

- **USD 30.5+ M** in loans **EbA** solutions for smallholders +USD 5 M in TA + FIs & private investors co-finance (phase 2)
- 9 countries LAC+SSA, 13 MFIs, 18k smallholders

Experience with Biodiversity in ASEI El Salvador



Presenter: Ricardo Segovia
Founder and Chairman of the Board of Directors

Financial Instruments to finance inclusive biodiversity conservation



Avril Benchimol



Pedro Marchetti



Alexandre Nayme





Financial Instruments to finance inclusive biodiversity conservation



Avril Benchimol





Financial Instruments to finance inclusive biodiversity conservation



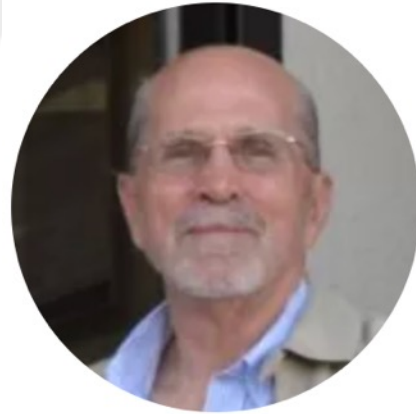
Alexandre Nayme



Financial Instruments to finance inclusive biodiversity conservation

- Instruments from the « conventional » finance
- To limit negative externalities is not enough, we need:
 - A proactive approach to « do good » rather than only « do not harm »
 - To pay for positive externalities
- Social and environmental Impact bonds
- Sustainability-linked Loans
- Blended finance
- Thematic impact funds

Financial Instruments to finance inclusive biodiversity conservation



Pedro Marchetti



What FDL-Nitlapan does: Green microfinance plus Combining Financial, non-Financial and Territorial Services

Non-Financial Services	Financial Services with Incentives
Co-produced research with clients on green alternatives in their farms	Financial products co-produced with clients that set both financial and green goals
Green technical assistance	8% of loan in bio-awards (PES)
Territorial Services (coordination with and diploma programs for multi-actors)	25% reduction in interest rates for meeting green goals

What does FDL-Nitlapan aim to do

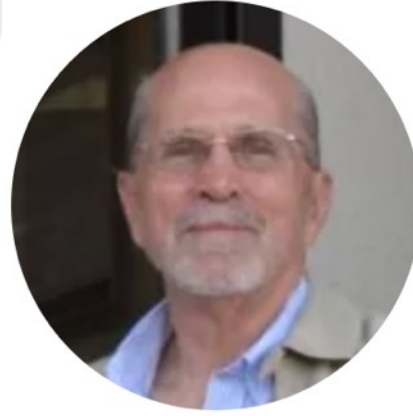
Take the focus off loans to microentrepreneurs	Design green microfinance plus products for ecosystems
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Inputs from the audience Q&A with panelists

What is missing: to finance inclusive biodiversity conservation



Avril Benchimol



Pedro Marcherti



Alexandre Nayme





What is missing: to finance inclusive biodiversity conservation



Avril Benchimol





What is missing: to finance inclusive biodiversity conservation



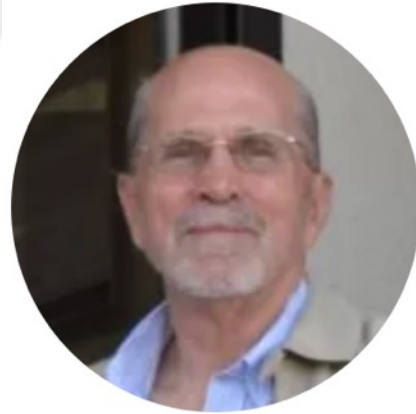
Alexandre Nayme



What is missing: to finance inclusive biodiversity conservation

- Traceability / transparency
 - Solution : certification
- Capacity
 - Solution: on-going training

What is missing: to finance inclusive biodiversity conservation



Pedro Marchetti

What is missing: to finance inclusive biodiversity conservation

- Mitigating Diversity-loss in Microfinance
- Understanding why a second microfinance revolution is needed ‘
- Doing something about policy architecture failure in both global warming and biodiversity loss.
- How to fill these huge extinction risk vacuums?
 - Fine tuning among multiple actors
 - Within MFIs and between the 1st, 2nd and 3rd tier financial providers
 - Between microfinance and public policy
 - Between entrepreneurs, civil society and multilateral policy makers



JuST Institute

Climate, Biodiversity & Inclusive Finance



Davide Forcella



JuST Institute

Climate, Biodiversity & Inclusive Finance



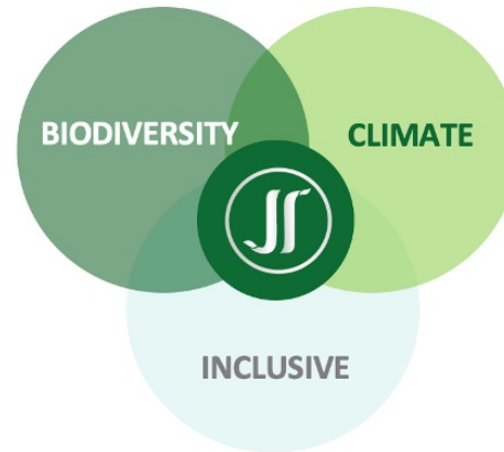
Market development - Enabling actions - Products & Services provision

Not-for-profit / Social Business Member Based Independent Operational

Building bridges

Private  Public

Inclusive  Conventional



**Best standards
&
Usability**

Focus on Developing Countries
but not only

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Products & Projects

JuST Institute
Climate, Biodiversity & Inclusive Finance



Analysis & Certification(s)



Training & capacity building



Operational & Strategic Advisory



Mainstreaming successful methodologies

Developing & Spreading Actionable Standards & Data

Advocacy

Capitalization & research

Collective & collaborative action

Stakeholders' coordination



"Certification of Climate Change Adaptation Portfolios of Inclusive Financial Service Providers for Scaling up Adaptation Finance for Smallholder Farmers ("CCA Certificates 4 IFSPs")"
<https://www.thegef.org/projects-operations/projects/11002>



"Indicators and Framework for Climate Change Adaptation and Biodiversity conservation finance for Smallholders and Rural communities: leveraging private and public finance"
<https://www.thegef.org/projects-operations/projects/11001>

**WE ARE MEMBERS BASED...TO
DEVELOP THE SECTOR FOR EVERYONE
JOIN US !**

Launching on a joint statement on biodiversity inclusive finance

(eventually to be delivered for COP 15 biodiv)

Inputs from the audience Q&A with panelists



Thanks a lot!

**Biodiversity Inclusive Finance
Join the transition ...**

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**EUROPEAN
MICROFINANCE WEEK**
connecting the inclusive finance world

ANNEX

Experience with Biodiversity in ASEI El Salvador



Presenter: Ricardo Segovia
Founder and Chairman of the Board of Directors

On the Agenda

- About ASEI El Salvador



- Experience with MEbA Biodiversity Platform & YAPU Solutions



<https://unepmeba.org/biodiversity-platform/>

- Lessons learnt

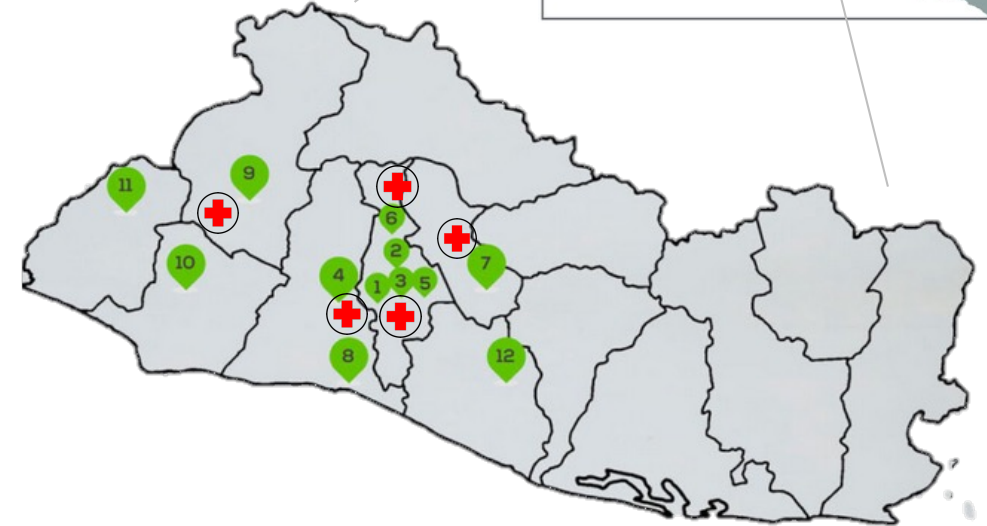


About ASEI El Salvador

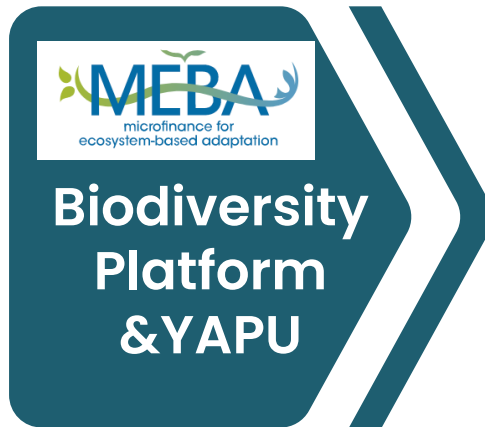
(We are Loans, Education, Health and Environment)



ASEI in numbers	
Year Founded	1990
Clients	24,900
Agricultural Clients	2,900
Portafolio	\$15.70 M
Agricultural Portafolio	\$1.09 M
Credit Methodologies	Village Banks, Solidarity Groups, Grameen Bank, ADESCOS, Individual Credits
Employees	242
Locations	12 Agencies
Primary Health Clinics	5 clinics



Experience with Biodiversity risk & solutions



ASEI Culture

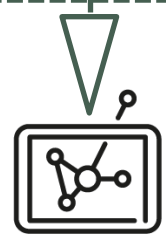
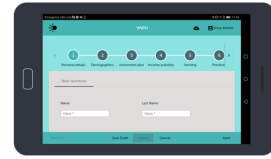


- Creating Awareness
- Levels of awareness in:
 - The human needs
 - The future of humans
- From Agricultural Loans to **Green Loans and Environmental Attributes**
- Our Planet, Our Home, Our Commitment 
- Making our agriculturists more productive with the environment





Biodiversity Platform & YAPU



Data optimization



Climatic sensitivity
Based on FAO data



Adaptive Capacity
Based on UN Environment methodology



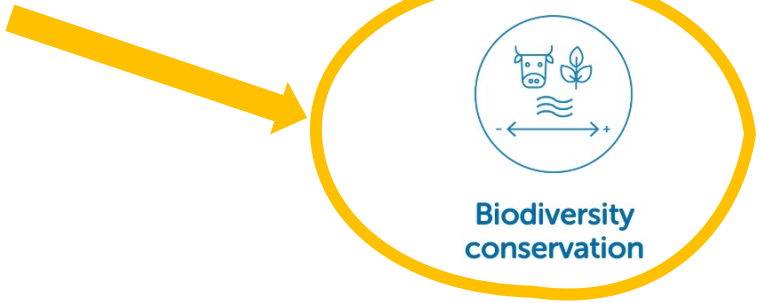
Green Microcredit verification
Based on UN Environment methodology



Biodiversity conservation

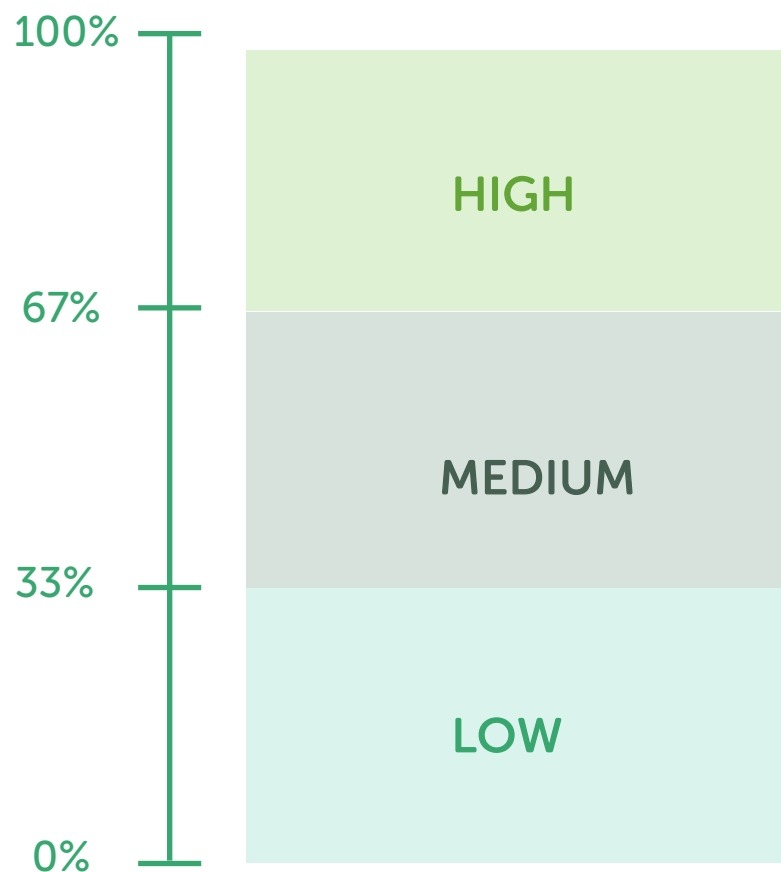


Detailed cashflows
Based on client declarations



BIODIVERSITY CONSERVATION INDICATOR

LEVEL OF RISK



POSSIBLE SOURCES OF RISK

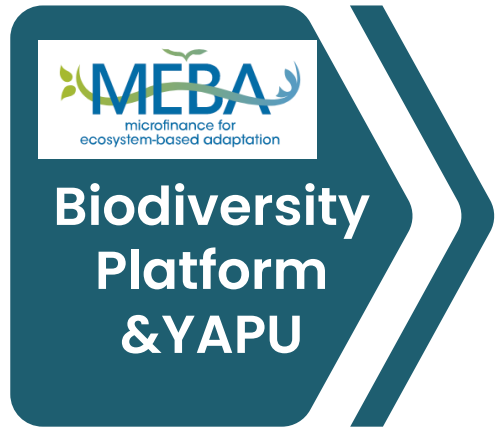
1. CHANGES IN LAND USE
2. OVER EXPLOITATION
3. CLIMATE CHANGE
4. POLLUTION
5. INVASIVE ALIEN SPECIES

BIODIVERSIDAD Y SOLUCIONES EBA

Selected EbA solutions
Organic fertilizer
Conservation agriculture
Organic agriculture
Beekeeping
Seed banks
Crop diversification
Ecotourism
Efficient stoves
Family gardens
Integrated pest management
Agroforestry
Silvoagricultural system
Mixed nursery
Windbreaks / live fences
Biodigester
Solar dryer
Efficient irrigation (drip irrigation)

Degree of promotion of Biodiversity

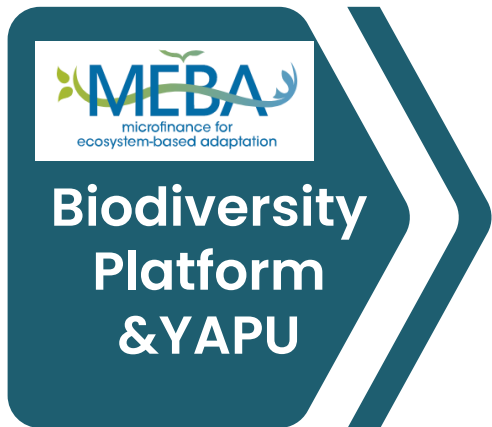




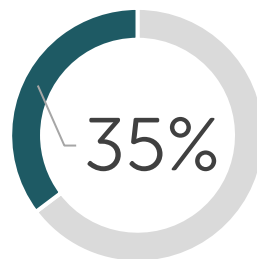
**In oct 2020 – april 2021 training & practices with MEbA Biodiversity Platform
14 trainings sessions and 50 h trainings**



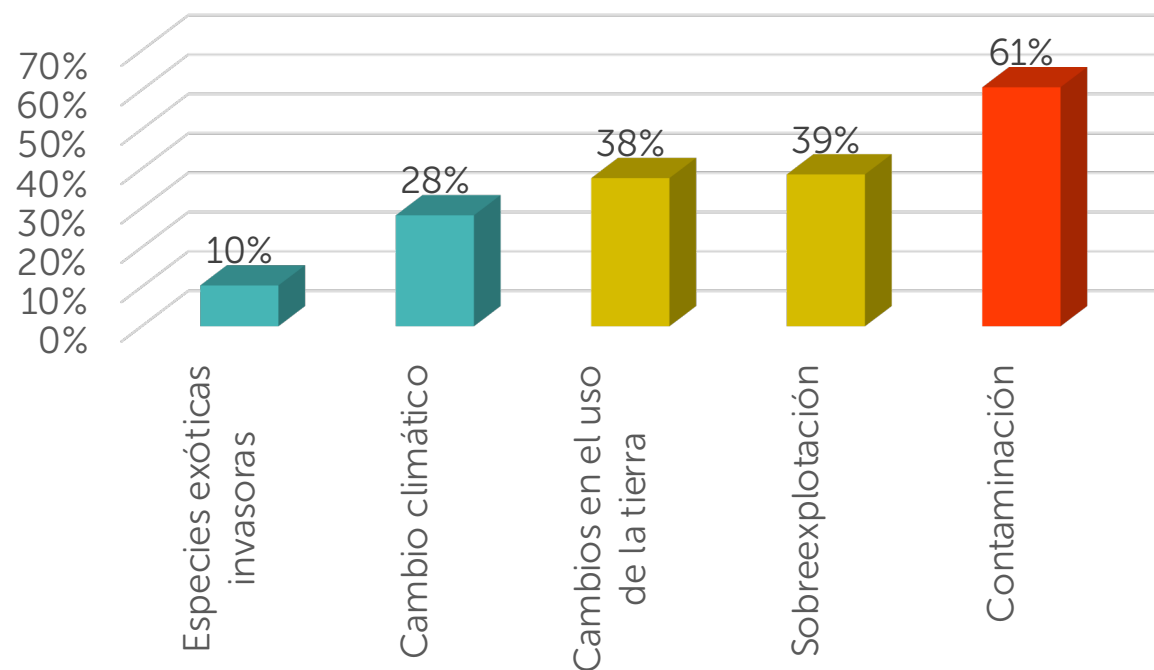
**Since Jan 2021:
1708 loans assessed & USD 947.308
with climate and biodiversity risks assessment
and verification of the EbA solutions**



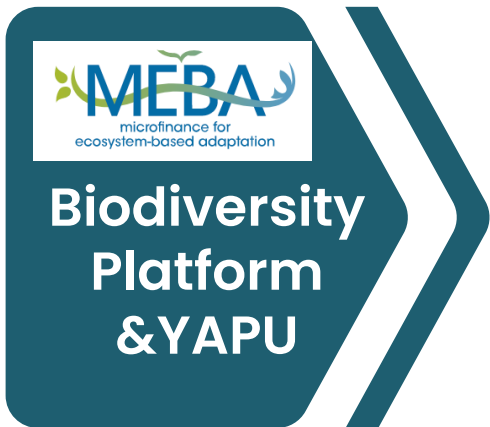
Promedio Indicador de riesgo de Biodiversidad ASEI



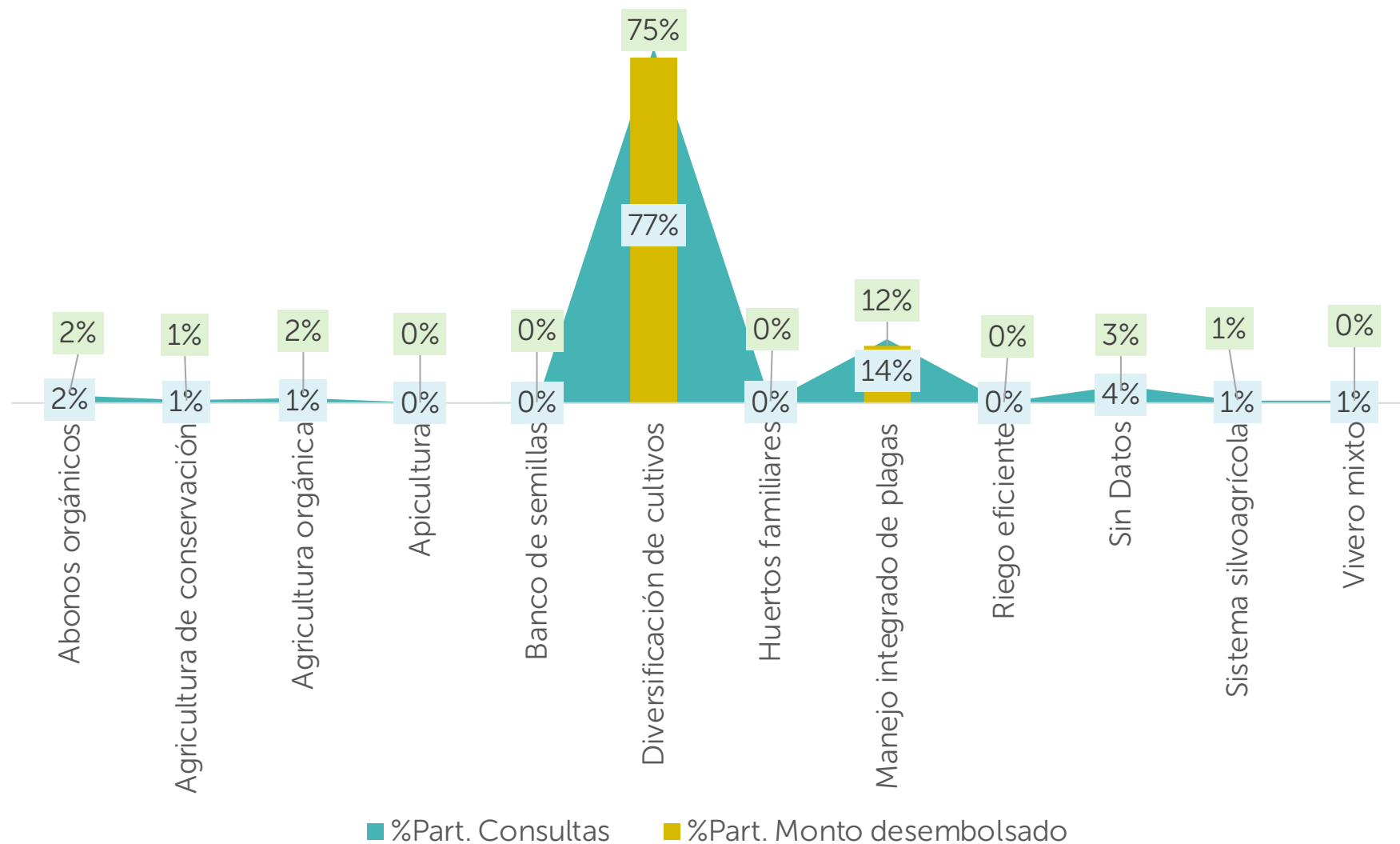
Calificación Promedio por Dimensión de Indicador de Biodiversidad



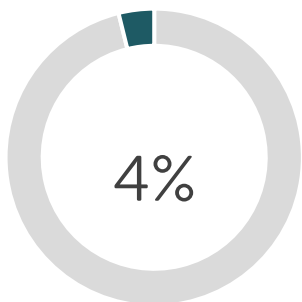
- 71% of the farmers have changed their land use from forest to agriculture.
- 14% of the farmers surveyed have their land in a protected area.



Destino de Inversión registrado



Porcentaje de créditos verdes ASEI



Lessons Learned

Lessons for ASEI

Our performance indicators require immediate attention to solve one of the crucial problems of mankind

For that to happen the following is needed:

1. An aggressive approach to environmental pronouncement
2. An open heart and open money to understand that environment is a matter of life and death
3. A direction from the traditional approach in harvesting to an environmental focus



Lessons Learned

Tecnology (Platform)

To all the agricultural platforms in the world:

1. To promote and pronounce the need of having a tool or measuring index for the continuous improvement of agriculture in low-income countries
2. To increase to the highest number, the Microfinance Institutions that use the platforms around the world



Lessons Learned

Investors and Lending Institutions



1. The time is now: Life investment or investment in the present and future life.
2. Open your finances, challenge yourselves to leave the routine in a world in emergency.
3. Be aware and adaptable. There are new opportunities to receive when you give in business.

The future of Our Planet Earth

Keep going: Our Planet
needs it

Your engagement is
very **URGENT**

Next Steps...



THANK YOU!



Thanks a lot!

**Biodiversity Inclusive Finance
Join the transition ...**

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