



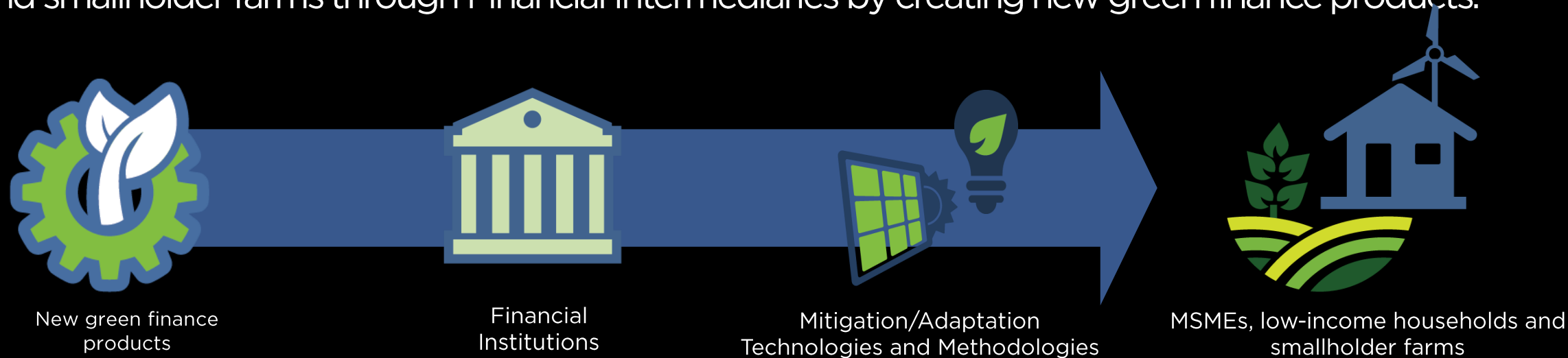
# The EcoMicro Program

Green Finance for MSMEs and Low-Income Households

26 May 2023



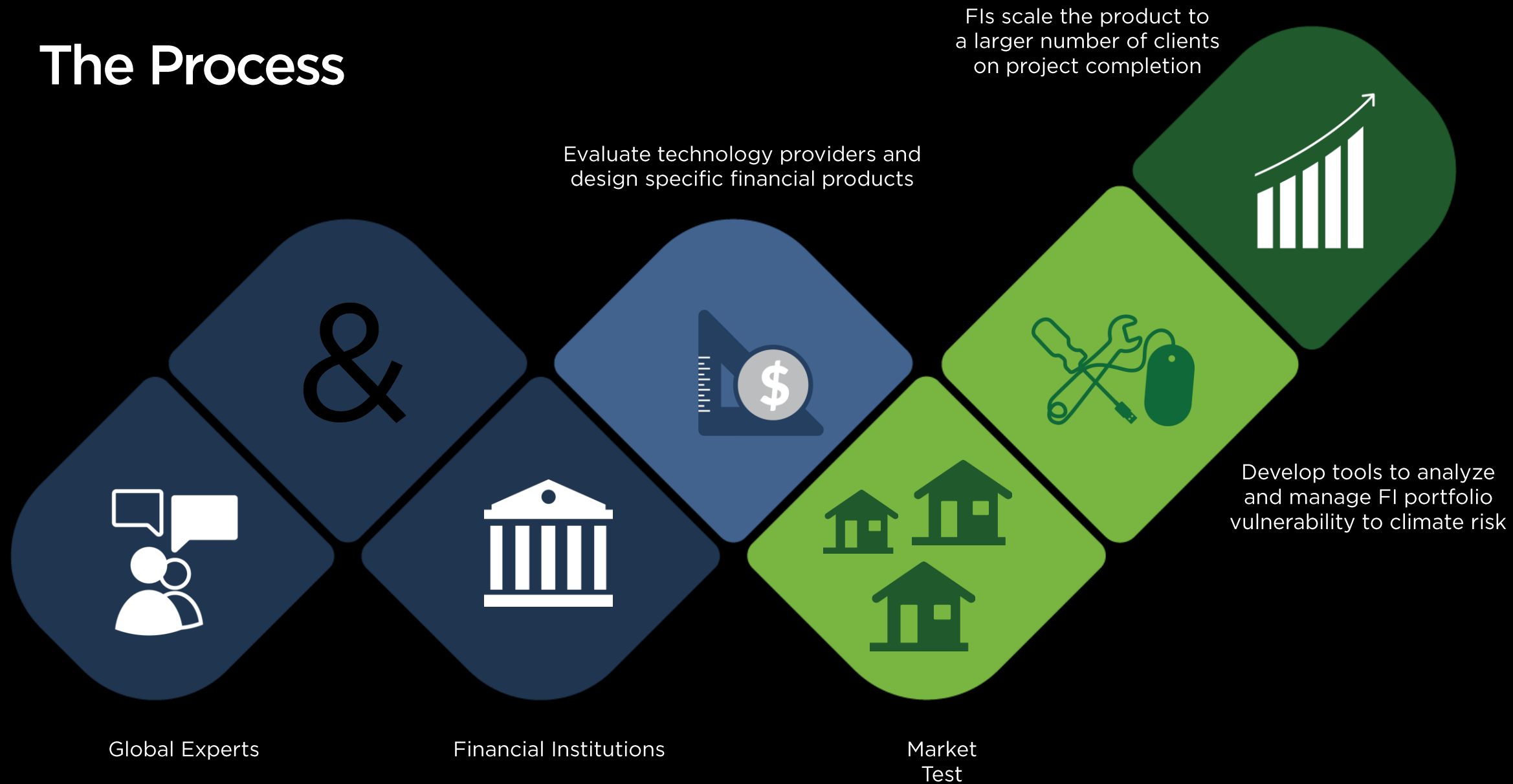
**OBJECTIVE:** Deploying mitigation and adaptation technology to low-income households, MSMEs and smallholder farms through Financial Intermediaries by creating new green finance products.



**TIMELINE:** Over the course of eight years, IDB Lab and donors have contributed a total of US\$17.9M.



# The Process



# Project Structure



## Component 1:

Designing and  
implementing green  
finance products



## Component 2:

Analyzing the  
vulnerability of loan  
portfolios to climate  
change



## Component 3:

Reducing financial  
institutions' own  
environmental impact





# Our Constituents

30 Executing Agencies across LAC (closed, ongoing, pipeline projects)



## ARGENTINA

- Afluenta



## BELIZE

- Belize Livestock Producers Association
- Belize Credit Union League Ltd.
- Development Finance Corporation



## BOLIVIA

- Diaconía
- Sembrar Sartawi IFD
- Profin



## COLOMBIA

- BancaMía
- Fundación Coomeva



## DOMINICA

- National Development Foundation of Dominica



## DOMINICAN REPUBLIC

- Fundación Sur Futuro



## ECUADOR

- Red de Instituciones Financieras



## EL SALVADOR

- Apoyo Integral



## GRENADA

- Grenada Development Bank



## GUYANA

- Institute of Private Enterprise Development Limited



## HONDURAS

- Fertilizantes de Centro América S.A.



## JAMAICA

- Access Financial Services
- COK Sodality



## MEXICO

- Te Creemos



## NICARAGUA

- Fondo de Desarrollo Local



## PARAGUAY

- Fundación Paraguaya
- Financiera El Comercio



## PERU

- Caja Arequipa



## SURINAME

- Southern Commercial Bank



## TRINIDAD & TOBAGO

- Central Finance Facility

## (REGIONAL)

- Root Capital

# Our Consulting Firms



## AUSTRIA

- WU Economics



## CANADA

- Développement International Desjardins
- Econoler
- EfficiencyOne Services
- International Financial Consulting



## CHILE

- Poch Ambiental S.A



## COSTA RICA

- OMTRIX Inc.



## GERMANY

- Adelphi Consult GmbH
- Frankfurt School of Finance and Management
- Internationale Projekt Consult GmbH
- LFS Advisory/Financial Systems GmBbH
- MicroEnergy International
- Sparkassenstiftung für Internationale Kooperation



## JAMAICA

- Development Options Ltd.
- UWI Consulting



## MEXICO

- Fundación Alemana Servicios



## NETHERLANDS

- EcoFys
- Trinomics
- Enclude



## NICARAGUA

- Ensome



## PERU

- A2G
- Consorcio de Organizaciones Privadas de Promoción al Desarrollo de la Micro y Pequeña Empresa (COPEME)



## SPAIN

- Creara
- Oikologica
- Analistas Financieros Internacionales
- Perspectives Climate Change



## SWITZERLAND

- GFA Entec AG
- Basel Agency for Sustainable Energy (BASE)



## UNITED KINGDOM

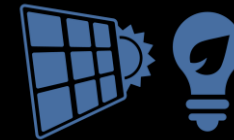
- Acclimatise Group Ltd.
- Carbon Trust
- Climatekos
- PwC



## UNITED STATES

- A2F Consulting
- Arc Finance
- DAI
- GreenMax Capital Advisors
- ICF
- Climate Finance Advisors

# Renewable Energy/Energy Efficiency



14 COUNTRIES 15 PROJECTS



BELIZE



BOLIVIA



GRENADA



DOMINICA



JAMAICA



GUYANA



TRINIDAD AND TOBAGO



PARAGUAY



COLOMBIA



MEXICO



PERU



EL SALVADOR



ARGENTINA



SURINAME



Solar and wind Deployed



Renewables in construction loans



Replacing Inefficient equipment



Energy cost savings in credit analysis

INNOVATIONS



TYPES OF PRODUCTS:  
LOANS  
CROWD-FUNDING

LESSONS  
LEARNED

- Financial products need to be designed around specific technologies
- Technology selection not core business of FIs who need to develop capacity
- Energy cost savings can exceed debt service
- Limited number of technology providers in some countries





# Climate Change Adaptation

9 COUNTRIES 15 PROJECTS



PARAGUAY



NICARAGUA



HONDURAS



BOLIVIA



DOMINICAN  
REPUBLIC



BELIZE



PERU



GUATEMALA



MEXICO

TC Prototype



Agricultural  
Resilience  
Technologies



Livestock Management



Micro-insurance  
for Farmers



TYPES OF PRODUCTS:  
LOANS  
MICRO-INSURANCE

LESSONS  
LEARNED

- ❑ Loans have to come with technical assistance
- ❑ Strategic alliances for extension services are key
- ❑ Costs for extension services need to be accounted
- ❑ Adaptation pilots require market testing over at least two crop cycles

# EcoMicro

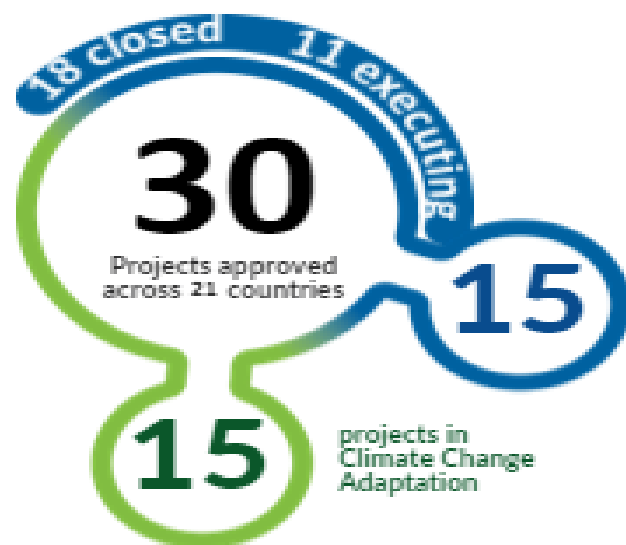
## PROJECTS

TOTAL ENVELOPE FOR PROJECTS

US \$ 13M

COMMITTED

US\$11.5M



## RESULTS TO DATE



48

GREEN FINANCE  
PRODUCTS  
LAUNCHED

16,936

LOANS PILOTED  
IN THE MARKET



6,184

STAFF TRAINED AT  
FINANCIAL INSTITUTIONS

US \$13.9M

LEVERAGED FROM FI's  
BALANCE SHEET TO PILOT  
LOANS



66

CLIMATE RISK  
MANAGEMENT TOOLS TO  
REDUCE FINANCIAL  
INSTITUTIONS



37,382

TOTAL NUMBER OF BENEFICIARIES  
REACHED BY THE PROGRAM BY THE  
PILOT PROJECTS



INSTITUTIONAL  
GREENING

237

ENERGY  
AUDITS

23

INSTITUTIONAL  
GREENING  
POLICIES

## SCALE & IMPACT TO DATE

<sup>1</sup> Data from 29 projects in advanced execution or closed

US\$37.8M<sup>1</sup>

FUNDS LEVERAGED BY  
FIS/INVESTORS FOR PILOT + POST-  
PILOT:



3,806

NUMBER OF GREEN  
LOANS IN MARKET POST-  
PILOT<sup>2</sup>

RATIO  
FUNDS LEVERAGED<sup>2</sup>

\$1:\$4.97

<sup>1</sup> Includes co-financing (lines of credit from donors and TC) and post-pilot scale.

<sup>2</sup> For every US\$1 from EcoMicro, US\$4.97 was raised by FIs to pilot and scale new green finance





# EcoMicro Caribbean Program (funded by GAC)



# Results & Impact to date



9

PROJECTS TO DATE



19

GREEN  
FINANCE  
PRODUCTS  
LAUNCHED



130

GREEN LOANS  
PILOTED IN THE  
MARKET



717

STAFF TRAINED AT  
FINANCIAL INSTITUTIONS



5,319

TOTAL NUMBER OF BENEFICIARIES  
REACHED BY THE PROGRAM BY THE  
PILOT PROJECTS



US\$2.14M\*

FUNDS LEVERAGED BY FIS/INVESTORS FOR PILOT  
+ POST-PILOT

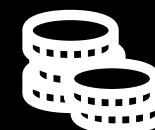


8

CLIMATE RISK TOOLS  
DEVELOPED

\$1:\$1.13\*\*

RATIO OF FUNDS  
LEVERAGED



\* Includes co-financing (lines of credit from donors and TC) and post-pilot scale // \*\* For every US\$1 from EcoMicro, US\$1.13 was raised by implementing partners to pilot and scale new green finance



**GREEN**

Financing For:

- Solar PV
- Climate-resilient housing (Reinforcement/Retraining)
- Energy Efficiency
- Lighting
- A/C Unit
- Refrigerator
- Freezer
- T.V.
- Washing Machine

## HOUSEHOLDS




**GREEN**

Financing For:

- Solar PV
- Climate-resilient building (Reinforcement/Retraining)
- Energy Efficiency
- Lighting
- Refrigerator
- Freezer
- A/C Unit
- Capital Expenditure
- Working Capital

## FARMERS




**Grenada Development Bank offers 2% loans for Climate Adaptation**

For vulnerable households and MSME's.

Financed by the Green Climate Fund as part of the Enhanced Direct Access project.

For further info, contact the Grenada Development Bank  
Tel: 406-3342 Email: [communications@gdbbnet.com](mailto:communications@gdbbnet.com)  
Melville Street, St. George's

**100% FINANCING**

**LOW 6%**

Interest on the

**REDUCING BALANCE**

**Repay Loan**

from **Savings Made**

**SUSTAINABLE ENERGY LOANS FOR BUSINESSES & HOMES**

Find a list of Green Energy Service Companies in Belize

[www.dfcbelize.org/renewable-energy-loans](http://www.dfcbelize.org/renewable-energy-loans)

822.2350 / 60  
[info@dfcbelize.org](mailto:info@dfcbelize.org)  
[dfcbelize.org](http://dfcbelize.org)

ESCB - Energy Service Companies

**dfc**

Dr. Annette  
Executive, Caribbean Shrimp Co. Ltd.  
DFC - Sustainable Energy Loans Division



Save on your next energy bill.

**COK**

**SOLARENERGY Bundle Loan**

- Borrow up to **\$500,000** and repay as low as **\$10,302** monthly.
- Upgrade to energy efficient appliances and help reduce greenhouse gas emissions, with a **COK Solar Energy Bundle Loan**. Let us help you Go Green.

Light bill too high? Save on average 60% on your energy bill with a . . . .



**CRÉDITOS VERDES**

Uniendo Esfuerzos por la Vida.

**COK**

**SOLARPANEL Loan**

► Your average domestic electricity costs





# BELIZE

Climate change is having a severe impact in Belize—especially for small-scale farms and fisheries. Three credit unions developed green loans to help their members become more resilient.

## ECOMICRO PROJECT

- Green Finance for MSMEs in the Agriculture & Fisheries Sectors in Belize
- US\$578,000 funding
- Executing agency: Belize Credit Union League
- Pilot phase 2021–2022

## KEY NUMBERS

- 30 green loans for seeds, irrigation equipment, solar panels and other needs
- US \$100,000 disbursed
- Outreach to 550+ people through workshops & focus groups
- 188 credit union staff members trained

## INNOVATION

- Climate risk tool developed to assess vulnerability to flooding, wildfires and drought

*Data from Belize's Ministry of Natural Resources, the U.S. National Oceanic and Atmospheric Administration and the International Research Institute for Climate and Society*



SABINO YAM JR.

**EXPOSURE TO DROUGHT • STORMS • EXTREME HEAT  
WILDFIRES • FLOODING • HURRICANES**



IDB | LAB

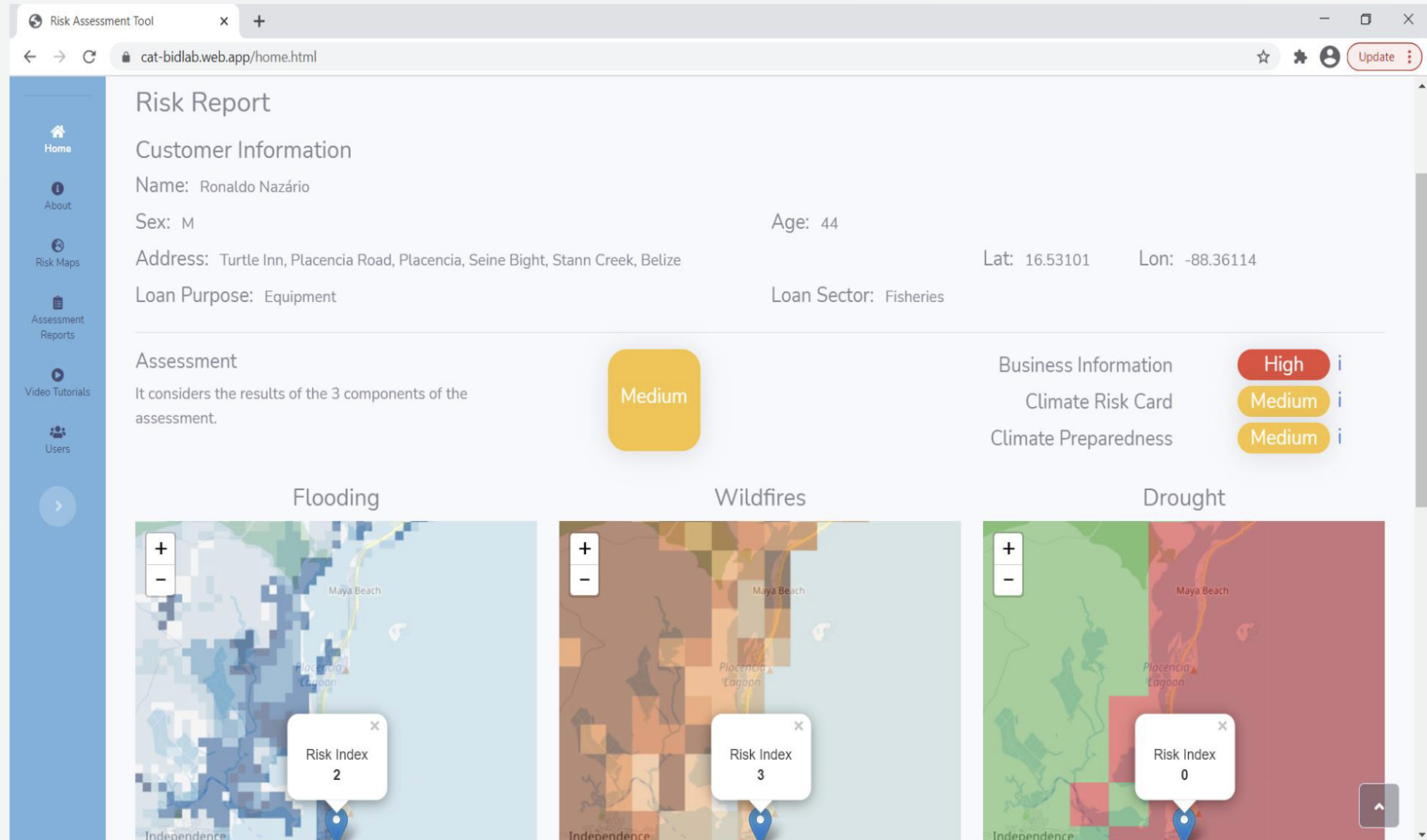
EcoMicro Canada



# Running a Climate Risk Assessment (cont.)

The Risk Report at the end of the Assessment provides:

- Weighted Climate Risk Rating for Client/Business
- High-Medium-Low Risk Rating for each component category
- Climate Risk Maps for Client Geolocation



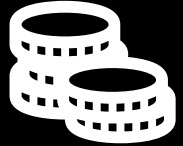






# Lessons Learned

*Green finance is a long-term commitment that requires partners to work hand in hand with end-clients*



Innovative finance mechanisms (e.g., carbon premiums) can incentivize and reward climate-smart agriculture practices, serving as a win-win for farmers and the environment



Climate risk tools can provide partners with a 360° view of risks and open the door to triple bottom line reporting



Promoting the availability of locally relevant and affordable ClimateTech solutions is complementary to green finance



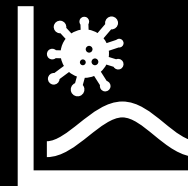
Broader partners beyond traditional FIs can also be key drivers of resilience



Institutional commitment to 'going green' is paramount to mainstreaming climate finance



In order to promote green finance and climate resilience, it is also important to consider broader drivers of resilience



The impact of COVID-19 has placed the deployment of climate finance in the region at risk



Harnessing the gender climate finance nexus can bridge financial inclusion gap and lead to improved climate resilience





# Programmatic Activities



# Value Addition

## Knowledge

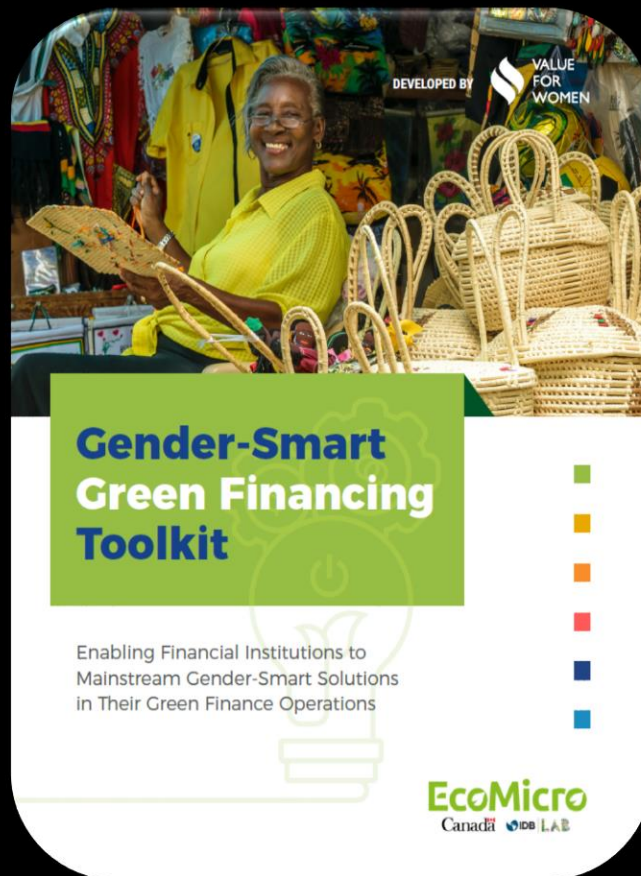
## Events

# LAB



# Knowledge Publications

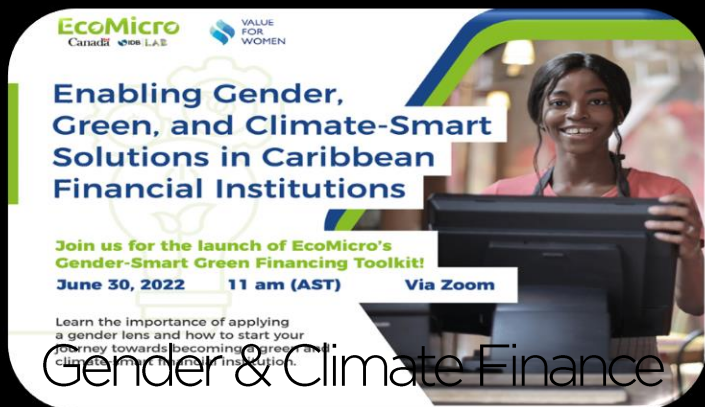
*Sharing what we learn drives innovation and amplifies our impact*





# Events

*Consolidating the climate finance ecosystem through networks and connections*



Gender & Climate Finance (2022)



Climate Risk BBL (2021)



EcoMicro at Foromic (2019)

Partner Events



COVID-19 BBL (2020)



What's Next

# EcoMicro x Scale for Resilience Partnership





# Thank You!