

Microfinance and Biodiversity Conservation

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Agenda 21

Convention for Biological Diversity

Environmental protection as part of the
development process

Poverty alleviation

Indigenous people and farming communities

Women and their role in environmental
management

Microfinance and Biodiversity Conservation

Biodiversity Hotspots

1.1 Billion very poor

50% of species

Where hunger and
subsistence farming
strategies
are
greatest threat to
natural habitats

Poverty
Alleviation

Biodiversity
conservation

Key Challenges and the Role of Microfinance

Reduce Vulnerability

Main function of finance

loans to build K assets
savings for liquidity
insurance for shocks

Income diversification
thru new activities

Social infrastructure

Increase Incomes

Improved productivity
investments in
ecoagriculture
techniques

Human capital
poor will use savings
& loans to obtain skills
that allow them to move
out of marginal areas

What works and what doesn't

What Doesn't

Tying credit to
specific activities

Subsidized interest
Poor repayment

Passing on EIA to MF

New SME creation
thru loans

What Does

Microcredit to rural poor

Building sustainable MFIs

Minimalist training and TA
with credit

Grants or joint ventures
for SME creation

Microfinance can contribute to a
triple bottom line

sustainable use of natural resources

sustainable livelihoods for the 1.1 billion poor
living in and around biodiversity hotspots

sustainable financial institutions