

Environmental Performance Management in Practice

#4 – The experience of CRECER IFD in Bolivia



In February 2022, Cerise+SPTF released the updated [Universal Standards](#). This third edition now includes a new Dimension 7 dedicated to Environmental Performance Management¹. This addition reflects a growing awareness that we all have a role to play when it comes to facing environmental and climate challenges. And yet, what this looks like for actors in inclusive finance remains elusive for many.

What does it mean to manage environmental performance, in practice?

We invited pioneering institutions to share their experience. In this blog, **José Auad**, General Manager of **CRECER IFS** in **Bolivia**, talks to us about how his institution has gone green.

1. Why did your institution choose to manage its environmental performance?

CRECER IFD has 74 agencies and 11 branches throughout Bolivia. The institution provides loans and financial education services to its clients, mostly women in vulnerable situations, in rural and urban areas. CRECER IFD has over 20 years of experience. It is the second largest financial institution in the country, with a portfolio of over 245,000 people engaged in various economic activities.

Much of our success is based on our business model which offers a integrated services, including loans tailored to the customer's needs and regular training sessions on various financial and non-financial topics, as well as access to health services through partnerships.

In 2009, we carried out our first social audit using the SPI tool. Subsequently, we regularly updated this audit with new versions of the SPI tool, including new indicators, particularly in the field of environmental protection. In the **2017 social audit**, we found that **dimension 7 on environmental performance was the weakest and the least developed**. As continuous improvement is part of our institutional culture, we then decided to take measures for environmental protection, with the support of our governance and our investors.

We thought about the best way to start, so that any action taken is sustainable. Having such a large customer base makes it difficult to plan awareness actions. Our educational program is indeed designed every three years by the National Development Services Unit. And our staff must know the subject before they can train customers. This is why, on this new environmental component, we decided to **work first with the staff of the institution**, to **start with ourselves**, to **lead by example**. How could we ask our customers to adopt eco-friendly practices when we

¹ Dimension 7 was developed by CERISE+SPTF in coordination with the [e-MFP GICSF Action Group](#). Dimension 7 is fully aligned with the Green Index 3.0, which is the environmental performance evaluation tool developed and managed by the GICSF Action Group.

are not doing it ourselves? We had taken the same approach for the prevention of cervical cancer – one of the leading causes of death among women in Bolivia. Today our employees know the risks of this cancer and undertake examinations every year. They have assimilated this knowledge and these practices, and can now pass them on to clients. This is how, in 2021, more than 43,000 female CRECER IFD clients undertook a preventive examination.

On the environmental side, we had to acquire knowledge on a subject on which we are not experts. We therefore asked a consulting firm to support us in **measuring our carbon footprint**, in order to know our impact on the planet and from there, initiate change. The idea was to strengthen our own environmental commitment in order to be able to extend this later to our customers' practices.

2. What have you done to improve your environmental performance?

We started in 2017 with the development of a first version of our **institutional policy on the environment**. This policy specifies our commitment to environmental protection, at the level of our various stakeholders. It has been validated by our Board of Directors, marking the commitment of our governing bodies in this area. This document was the cornerstone from which we gradually developed our actions.



In 2018, we launched a **pilot project** at headquarters level called **“Detalles que suman”** (“Details that add up”), which consists of 4 pillars in line with our activities and institutional capacities:

1. Paper recycling,
2. Waste management (waste generated),
3. Decrease in electricity consumption,
4. Decrease in water consumption.

The idea was to find a way to **manage the waste generated in our offices**, mainly paper, and to **tackle the problem of electricity and water consumption**, by raising awareness about reducing it.

At the beginning of the project, we launched a **paper reduction contest** at head office level: each floor of the building formed a team, and we monitored the quantity of printing made and the quantity of recycled paper (in kilos). A prize was awarded to the floor which had consumed the least paper and had sorted the most paper. We didn't want to generate a sense of obligation among staff, but rather arouse their curiosity and make them aware of the impact of their actions.

Little by little, we **set up various partnerships**. On paper recycling, we have collaborated with the Hormigón Armado Foundation, an association that prints the newspaper of shoe shiners in the city of La Paz (shoe shiners are often children and young people in vulnerable situations who, to earn a living, also sell these newspapers). We managed to give them more than a ton of paper to recycle.

On the waste management pillar, PET bottles are delivered to the municipality to be recycled, and sometimes to private collectors who obtain income through the recycling of this material.

We have also signed an agreement with Extend Verde, an organization specializing in waste collection and training on environmental issues. One of its activities is the creation of **eco-bricks**, made from empty, clean PET bottles that are filled with clean inorganic waste, until a hard, brick-like bottle is obtained. Thanks to the contribution of these eco-bricks from CRECER IFD and other institutions, a music classroom was built for a school in the municipality of Achocalla, on the outskirts of the city.



The music room built with eco-bricks

CRECER IFD has also signed an agreement to deliver plastic caps to the Association of Volunteers Against Childhood Cancer (AVCCI). As part of a campaign called "Little caps for a happy child", the association has an agreement with the company EMPACAR S.A, which buys the caps collected at a preferential price. Proceeds then go directly to AVCCI. The branches of La Paz, El Alto and Altiplano Sur, as well as their respective branches, have been integrated into this project, with a total of 26 collection points. And we hope to reach a national level with all our offices.



Delivery of plastic caps for recycling

In addition, CRECER IFD recently signed an agreement with REECICLA, a company specializing in waste management. In the next two years, we will deliver to REECICLA waste such as used lead-acid batteries, cardboard, PET plastic, rigid PVC, nylon bags, steel, aluminum, copper, etc. The revenues generated by this waste will be donated to a foundation chosen by CRECER IFD.

For the pillars of **electricity and water consumption**, **visual materials** have been created in order to constantly raise staff awareness. These visuals are placed near sinks, washbasins and light switches to encourage water and electricity savings, and near elevators to encourage the use of stairs when possible.



Visual material used to raise awareness among staff

In 2019, when the “Detalles que suman” project was launched and well received by the staff, we wanted to carry out the **first measurement of our carbon footprint**. We then called on a consulting firm to guide us and provide us with the necessary knowledge.

With the help of the consulting firm, we started collecting data on the different sources of greenhouse gas (GHG) emissions. It was a complicated job because a lot of the information had to be retrieved manually. The process took several months. We had to look at bills for electricity, water, fuel, plane tickets, air conditioning, paper, etc. Subsequently, the data was converted into tons of carbon equivalent to have a single unit of measurement. And on the basis of this information, the first carbon footprint of the head office was finally carried out: we then observed that our biggest impact came from our electricity consumption, which represented more than 50% of our balance sheet.

3. What are the results so far?

We measured our **carbon footprint three times**, which allowed us to know our environmental impact. For example, the total footprint in 2018 was 151 tons of carbon equivalents (tCO₂e) for our main building, an average footprint of 1.5 tCO₂e per person. We have decided that our carbon footprint should be measured annually. And already, thanks to the three assessments we already have, we have been able to define strategies to reduce this footprint.

In 2021, we published our **Environmental Policy**, which specifies our priority areas of intervention. With the support of the consulting firm, a **guide on good environmental practices** has been drawn up and integrated into this Environmental Policy.

In 2021, we also installed **solar panels in the main building**, which reduced our energy consumption from the electricity grid by around 20%.



Solar panels at the national office of CRECER IFD

Today, **the paper we use is nearly 100% recycled** at head office level, and our staff is highly aware of this. Actions undertaken at head office level have started to trickle down to our network: some agencies have implemented recycling and consumption reduction initiatives, depending on their capacities, on a voluntary basis (in line with our philosophy of not imposing anything but spurring action). Thus, step by step, the staff of CRECER IFD assimilates the subject of environmental protection.

And these various initiatives have **improved our Green Index score** between the audits carried out in 2017 and 2020, with an increase of 16 points out of 100, from 26/100 to 42/100.

4. What lessons have you learned from these experiences?

We have learned different lessons:

- Any program or project, no matter how small, requires **planning and involvement at all levels of the institution**, particularly at the governance level, with a strategic view in order to optimize impact.
- **Staff responds better to awareness-raising when it is done in a creative, playful and light way**, rather than when they are forced to carry out certain actions. Positive incentives are the best way to mobilize staff and give a positive image of the environmental topic.
- **Measuring the carbon footprint** may seem unimportant or irrelevant, but in reality it is necessary in order to assess the impact we have on the planet and to define relevant mitigation actions. In addition, it improves the reputation of the institution with donors and society in general.
- The best way is to **start with small steps** that can be achieved quickly and without too much investment (“quick wins”). Explore easily achievable initiatives for the institution and focus only on them.
- There will be inevitable limits. In our case, for example, installing solar panels in all our branches is not an option since we only own three of them. Solar panel operating contracts require a minimum of ten years of use at the same location, which we cannot guarantee. **You have to work with what can be done and not struggle to seek perfection.**

5. What are the next steps to improve your environmental performance?

First, we plan to **expand the scope of carbon footprint measurement** in 2022, as 21 agencies have committed to measuring their carbon footprint. In other words, 25% of the operational units established on the national territory will be able to detect courses of action to take care of the environment. We also plan to gradually install **solar panels** in the other buildings we own. We would like to **resume the awareness program** on the use of electricity and water, which had been interrupted due to the pandemic.

Finally, we plan to explore ways to implement **environmental projects with our customers**, with the support of interested donors and investors.



The Santa Cruz South branch is the second building of the institution equipped with solar panels to reduce its carbon footprint.

6. What would you recommend to a microfinance institution that wants to get started in environmental performance management?

We would recommend developing a **strategic document that defines your position** in environmental matters, since from this document will flow all the programs and priorities, developed with the support of the governance bodies and in line with the institution's business plan.

We also suggest **starting by assessing your abilities**, the tools you have, what you need, in order to develop a realistic medium-term strategy.

Finally, we would advise to **practice what you preach**, because it is the best way to be credible. Commitment cannot fail at any point in the process. If this commitment does not exist, it is better not to start the project.

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