



project results

IMPROVING PRODUCERS' RESILIENCE TO CLIMATE CHANGE AND STRENGTHENING ENVIRONMENTAL RISKS GOVERNANCE



Beneficiary organisation

Attadamoune Microfinance is a medium-sized microfinance institution (MFI) with over 20 years of experience in the microfinance sector in Morocco. Named after the Arabic word for "solidarity," Attadamoune mission is to help urban, peri-urban, and rural micro-entrepreneurs from socio-economically disadvantaged and financially excluded communities develop or stabilise income-generating activities by providing tailored financial products without discrimination. The organisation serves approximately 8,000 clients, 5% of whom are smallholder farmers. Following its decision to place environmental sustainability at the core of its mission in 2020, Attadamoune aims at operationalising its strategy in the field of ecological and social transition and reinforcing its offer of services in rural areas.

The challenge

In Morocco, a key ongoing challenge remains the limited availability of appropriate financial services for rural stakeholders involved in agriculture. Without adequate access to credit and other financial products, many smallholder farmers struggle to invest in quality inputs such as seeds, fertilisers, irrigation systems, and modern equipment. This limits their productivity and keeps yields low. Financial exclusion also constrains their ability to adopt climate-resilient technologies, making them more vulnerable to frequent droughts and other climate shocks, trapping many in low-income, subsistence-level production.

The proposed solution

To address the financing gap and strengthen farmers' resilience to climate risks, Attadamoune intended to integrate the United Nations Environment Programme's Microfinance for Ecosystem-based Adaptation (MEbA) approach into its strategy, processes, and financial products. **The objective was to strengthen its capacity to finance and manage climate-smart, ecosystem-based solutions, and develop pilot green loans to support farmer Ecosystem-based Adaptation (EbA) solutions** such as hydroponic cultivation, solar ovens, and solar pumping. MEbA ecosystem-based adaptation and biodiversity risk indicators were to be integrated into loan assessments to identify, assess, and monitor environmentally sustainable activities for climate-exposed smallholder farmers.

The expected outcomes of the project were:

- 1 An institutional diagnostic to strengthen **Attadamoune green strategy**, activities, and climate- and green-product risk management.
- 2 **Staff training** at headquarters and selected pilot branches to build capacity for climate-smart operations, including **identification and monitoring of environmental risks**.
- 3 **Design and pilot of green loans to finance selected EbA solutions for 250 smallholder farmer clients.**

PRIORITY TOPICS

Environment and climate change

IMPACT INVESTOR

Sidi Solidarité Internationale pour le Développement et l'Investissement

BENEFICIARY ORGANISATION

Attadamoune Microfinance

Morocco

NUMBER OF FARMERS REACHED

146

AGRICULTURAL VALUE CHAIN

Multiple

START DATE

May 2023

END DATE

December 2024

TOTAL EXPENDITURE

€ 54,741

Including € 39,300 (72%) financed by SSNUP





key results



Institutional evaluation report

Green strategy report

- 1 Data-smart finance integrating **climate data into credit analyses**
- 2 Climate and environmental **risk integration via a mobile app** on a specific platform solution for microfinance institutions
- 3 Promotion of **EbA solutions**

SDGs supported by the project



1. No poverty

- 1.4 Access to basic services, including microfinance
- 1.5 Building the resilience of vulnerable people

2. Zero hunger

- 2.4 Adoption of productive, sustainable and resilient agricultural practices

13. Climate action

- 13.1 Strengthening resilience and adaptive capacity to climate change



In the **4 pilot branches** of Azrou, Boulemane, Ouazzane and Beni Mellal:

40

 staff trained in identifying and monitoring environmental risks in loans

146

 smallholder farmers accessed a **green loan** for an average duration of 10 months

to finance an **EbA solution** such as:



Drip irrigation



Solar water pump



Water reservoir



received **complementary technical support** for effective implementation of the solution



95%

 smallholder farmers experienced **increases** in both **productivity and living standards**

lessons learnt

✓ Early risk identification enables climate-smart lending

Effective climate-risk reduction begins with understanding the risks themselves. For MFIs, this means moving beyond assumptions and taking a structured approach to identify environmental threats, whether they are droughts, floods, or soil degradation. Digital tools, like automated loan evaluation systems that integrate environmental risk indicators, can turn raw data into actionable insights. By spotting potential vulnerabilities early, MFIs can design products that are responsive to farmers' challenges.

✓ Making tools simple strengthens adoption

Tools, frameworks, and training are effective only when users can clearly understand and apply them. Simplifying complex methodologies, indicators, and processes helps beneficiaries grasp key concepts quickly, reduces errors, and encourages consistent use. Prioritising clarity in training materials and operational systems ensures that technical solutions translate into tangible, on-the-ground results. Clear and accessible tools also foster ownership.

✓ Successful practices can inspire the chain

Farmers themselves determine which solutions succeed, but their adoption can be influenced by external factors such as subsidies, market trends, or local conditions. MFIs achieve better results when they listen to farmers, involve them in designing and testing interventions, and support them in managing and monitoring these solutions. Solutions are more likely to be adopted and sustained when farmers feel ownership and see their needs reflected in the approach.

Outlook

The pilot conducted demonstrated the feasibility of green loans and climate-smart interventions, although it reached fewer smallholders than initially planned due to initial product misidentification. To implement the full rollout for 4,000 clients, key challenges must be addressed, including the limited resources available to fund essential technical support, such as staff training and producer advisory services, which are as critical as the actual delivery of credit.

