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Smallholder SustaiNability Upscaling Programme

STRENGTHENING SOCIAL, ENVIRONMENTAL AND RISK MANAGEMENT FOR INCLUSIVE AND SUSTAINABLE MICROFINANCE IN COLOMBIA

Africa | **Latin America** | Asia

Financial services delivery | Capacity building for end beneficiaries | Market access and product development | **Management systems improvement**

CONTEXT

Colombia counts around 54 million inhabitants of which 15% are working in the agricultural sector. Colombia's diverse climate and geography support a wide range of crops all over the country. The Colombian microfinance system is mature and competitive, with 38 institutions reporting to the association of Colombian microfinance institutions (Asomicrofinanzas). However, the provision of services is concentrated in urban areas. Regulations set interest rate caps based on loan amount, purpose and region, alongside strict rules on customer protection and debt recovery. This framework, combined with high operating costs in scattered territories, limits the presence of financial institutions in remote rural areas.

CURRENT STATUS OF THE BENEFICIARY ORGANISATION

Founded in 2016, CONFIAMOS SAS. is a financial service provider focusing on small-scale producers, operating specifically in rural areas of southern Colombia in an environment characterised by a high degree of economic informality, limited infrastructure, recurring climate-related risks and territorial instability. CONFIAMOS has established itself as a key player in rural financial inclusion through a branchless model without physical branches, based on fully digital processes complemented by field advisers who ensure a local presence. The organisation currently serves 8,612 borrowers, with 77% of its loan portfolio in rural areas and 54% in the agricultural sector. Overall, 53% of its clients are women.

OBJECTIVE OF THE PROJECT

The project aims to strengthen the institutional, social and environmental performance of the organisation. The expected results of the project are:

- Establish an institutional roadmap based on the institutional rating and social and environmental rating carried out.
- Design an environmental and social risk management system (SARAS) including assessment of the portfolio, environmental and social policy, risk categorisation matrix and SARAS manual.
- Train all key staff of the organisation in the application of environmental and social criteria, the use of SARAS and the implementation of client protection and sustainability practices.

PRIORITY TOPICS

Environment and climate change

Food security and improved nutrition

Gender equality

Fair agrifood systems

IMPACT INVESTOR

alterfin
HUMANITY INVESTORS

BENEFICIARY ORGANISATION

Confiamos SAS (MFI), Colombia, serving a total of 4,476 smallholder farmers

AGRICULTURAL VALUE CHAIN

Potato, coffee, sugarcane

STARTING DATE

June 2026

DURATION

5 months

TOTAL TA BUDGET

€28,628
Including €22,903 (80%) contribution from SSNUP

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