STRENGTHENING THE RISK MANAGEMENT FRAMEWORK AND GOVERNANCE OF A CREDIT COOPERATIVE IN PERU

Africa | Latin America | Asia

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

CONTEXT

Peru's agricultural sector relies on diverse financing mechanisms to support growth and innovation. Through various programmes, the government offers subsidies, low-interest loans, and credit guarantees to small and medium scale farmers. Private banks and microfinance institutions also provide tailored financial products, though access remains limited for rural producers. International organizations, such as the World Bank and FAO, fund projects to improve infrastructure, climate resilience, and export capacity. Despite progress, challenges persist, including informal land tenure and climate vulnerability. Strengthening financial inclusion and sustainable investment is key to unlocking the sector's full potential.

CURRENT STATUS OF THE BENEFICIARY ORGANISATION

Cooperativa de Ahorro y Credito Norandino (COOPAC Norandino), was founded in 2005 by small-scale producers organised within three cooperatives, to facilitate access to financial services for farmers excluded from the traditional financial system. Since then, it has experienced sustained growth and is now a financial institution supervised by the Superintendency of Banking, Insurance and Pension Funds (SBS). Today, it has more than 43,500 members, of whom over 70% live in rural areas. Its loan portfolio consists of 67% rural loans and 55% agricultural loans, primarily serving producers of coffee, cocoa, panela, bananas and other agri-food products. The cooperative operates in an environment characterised by climate vulnerability, limited access to formal finance and stricter regulatory and sustainability requirements, where numerous financial co-operatives have been forced to close.

OBJECTIVE OF THE PROJECT

The main goal of this project is to improve the governance, risk management, internal controls, sustainability and operational efficiency of the cooperative to support its sustainable growth.

The expected results of the project are:

- Conduct a social and environmental rating and an institutional rating of the organisation.
- Establish and implement a roadmap to strengthen the governance, sustainability and customer service.
- Train 16 selected employees on credit risk and social and environmental risks.

PRIORITY TOPICS

Environment and climate change

Food security and improved nutrition

Gender equality

Fair agrifood systems

IMPACT INVESTOR

alterfin HUMANITY INVESTORS

BENEFICIARY ORGANISATION

Cooperativa de ahorro y credito Norandino (COOPAC Norandino) (MFI), Peru – serving 43,500 members

AGRICULTURAL VALUE CHAIN

Multiple

STARTING DATE

August 2026

DURATION

2 months

TOTAL TA BUDGET

€22,555
Including €18,044 (80%) contribution from SSNUP

SSNUP c/o ADA asbl I 39, rue Glesener I L-1631 Luxembourg
T. +352 45 68 68 I www.ssnup.org I ssnup@ADAimpact.lu