

SUMMARY OF THE PROJECT IN DESIGN * (*)

EcoMicro – ANSA Merchant Bank Limited Green Finance for MSMEs in the Agriculture Sector in Trinidad & Tobago

PITCH ELIGIBILITY DATE		COUNTRY(IES)
07/21/2023		Trinidad y Tobago
ALIGNED WITH COUNTRY STRATEGY?		
Yes		
PARTNER(S)		
ANSA Merchant Bank Limited		
PRELIMINARY CLASSIFICATION ENVIRONMENTAL AND SOCIAL IMPACT		
FI-2 (**)		
TOTAL BUDGET	IDB Lab	LOCAL COUNTERPART AND COFINANCING
US 428,571	US 300,000	US 128,571
DESCRIPTION		

The problem Presently, the agriculture sector in Trinidad and Tobago is dominated by smallholder farmers whose holdings collectively account for 52% of the total number of holdings in the country covering 9% of the total agricultural land area. These farmers are highly vulnerable to the impacts of climate change including rising temperatures, changes in precipitation patterns, and an increase in the frequency and intensity of extreme weather events such as storms, floods, and droughts. This vulnerability of smallholder farmers and the agriculture sector in Trinidad and Tobago highlights the need for comprehensive and effective adaptation strategies. These strategies must address the unique challenges faced by smallholder farmers, including limited access to resources and infrastructure, and promote sustainable and climate-resilient farming practices.

The solution The objective of this project will be to build climate resilience of smallholder farmers in Trinidad and Tobago, through new green finance that enables the implementation of adaptation methodologies. This will be achieved by focusing on the development of green finance products that will support access to adaptation technologies/measures (adaptation finance).

The project model will also build the capacity of the ANSA Merchant Bank Limited to assess the vulnerability of its current portfolio to climate change and to integrate climate risk assessment into future credit decisions.

Finally, this project will allow the ANSA Merchant Bank Limited to consolidate its commitment to institutional greening by conducting an energy walkthrough and by developing a greening policy and recommendations for the overall institution.

The beneficiaries The direct beneficiaries of this project are approximately 100 smallholder farmers in the agriculture sector. The project will also benefit 50 managerial, technical and support staff that belong to the ANSA Merchant Bank Limited who will receive technical training and awareness building in areas relating to the key components of the project: design and piloting of green finance, climate vulnerability and risk assessment, and institutional greening.

*The information mentioned in this document is indicative and may be altered throughout the project cycle prior to approval. This document does not guarantee approval of the project.

**The IDB categorizes all projects into one of six E/S impact categories. Category A projects are those with the most significant and mostly permanent E/S impacts, category B those that cause mostly local and short-term impacts, and category C those with minimal or no negative impacts. A fourth category, FI-1 (high risk) Financial Intermediary (FI)'s portfolio includes exposure to business activities with potential significant adverse environmental or social risks or impacts that are diverse, mostly irreversible or unprecedented, FI-2 (medium risk) FI's portfolio consists of business activities that have potential limited adverse environmental or social risks or impacts, FI-3 (low risk) FI's portfolio consists of financial exposure to business activities that predominantly have minimal or no adverse environmental and social impacts.

The partner ANSA Merchant Bank Limited (Executing Agency): ANSA Merchant Bank Limited, established in 1987 is organized to provide financial services. Areas of focus include asset finance loans, leases, merchant Bank loans, foreign exchange trading, investment services, wealth management services and management of mutual funds.

The IDB Lab's contribution will be US\$300,000 (70% of total project cost) in non-reimbursable Technical Cooperation resources to be provided by the Government of Canada, via the EcoMicro Program with resources from CCF. The proposed contribution will allow the ANSA Merchant Bank Ltd. to benefit from institutional capacity building to: (i) design and pilot new green finance products; (ii) analyze the vulnerability of its agriculture portfolio to climate change; and (iii) promote environmental sustainability through implementation of energy consumption audits and development of an institutional greening policy.

*The information mentioned in this document is indicative and may be altered throughout the project cycle prior to approval. This document does not guarantee approval of the project.

**The IDB categorizes all projects into one of six E/S impact categories. Category A projects are those with the most significant and mostly permanent E/S impacts, category B those that cause mostly local and short-term impacts, and category C those with minimal or no negative impacts. A fourth category, FI-1 (high risk) Financial Intermediary (FI)'s portfolio includes exposure to business activities with potential significant adverse environmental or social risks or impacts that are diverse, mostly irreversible or unprecedented, FI-2 (medium risk) FI's portfolio consists of business activities that have potential limited adverse environmental or social risks or impacts, FI-3 (low risk) FI's portfolio consists of financial exposure to business activities that predominantly have minimal or no adverse environmental and social impacts.