

F3 LIFE

Climate-Smart Credit

What is Climate-Smart Credit?

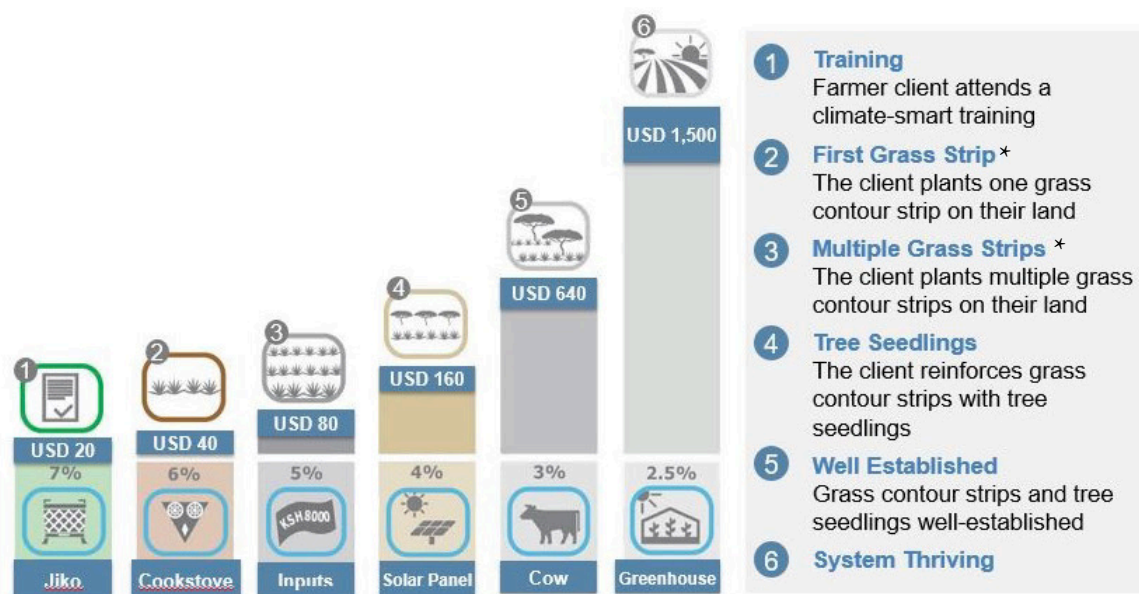
Climate-smart credit incorporates climate-smart agricultural and land-management practices into loan terms. When a client signs a loan agreement, they also sign a land-management agreement which requires the client to manage their land in a way which is designed to protect them and their farm from climate-change related events.

- 1 A farmer signs a loan and land management agreement**
Smallholder farming clients gain access to credit in order to develop their farming enterprise, on the condition that they adopt climate smart farming practices.
- 2 Repayment and Implementation**
The farmer implements the required climate-smart agricultural and land management practices on their land
- 3 Monitoring**
F3 systems are used to monitor implementation of climate-smart practices
- 4 Climate Smart Credit Scoring**
When a farmer complies with the climate-smart requirements of their loan agreement, they are provided with a score which boosts their credit score
- 5 Results**
With implementation, farmers build their resilience to climate change and protect agricultural lending portfolios from climate change risk



An example of a Climate Smart Credit Product

This credit product incentivises improved soil conservation to protect soils from heavy episodic rainfall projected to increase with climate change in certain areas of Kenya. Farmers who employ this system protect their soils, improve their yield and reduce their likelihood of credit default. In this specific instance, our partner lender was able to reduce interest rates to reflect reduced client risk.



* - Note: Mark Ellis-Jones (Head of F3-Life <mark.ellis-jones@f3-life.com>) was interviewed in November 2018, and confirmed that Vetiver Grass was the "Grass" that was promoted in Kenya for the piloting of the Climate Smart Credit scheme.

For further information, please contact us at info@f3-life.com

F3 Life Limited, Company Number: 10521201, Registered In England and Wales
 31-33 High Holborn, London, England, WC1V 6AX



Eligible



to apply



USD 100



Inputs



USD 125



Establish
& maintain



USD 100



Harvest,
Transport
Process/
Store



New
Loans



Climate
Smart
Livelihood

1

Training

Farmer client attends a climate-smart training

2

First Grass Strip

The client plants one grass contour strip on their land

3

Multiple Grass Strips

The client plants multiple grass contour strips on their land

4

Tree Seedlings

The client reinforces grass contour strips with tree seedlings

5

Well Established

Grass contour strips and tree seedlings well-established