



**Environmental Performance
Management:
The experience of ASHI,
Philippines**

EPM Case Study

May 2025



The Philippines, a Southeast Asian archipelago of around 7,640 islands, is among the most vulnerable countries affected by climate change, as a result of the increasing frequency of extreme weather events. With more than 20 typhoons every year, frequent earthquakes, volcanic eruptions and tsunamis, the country is ranked as the 2nd most affected country by climate variations over the last 20 years (Global Climate Risk Index 2020, published by the NGO Germanwatch).

About Ahon sa Hirap, Inc. (ASHI)

Ahon sa Hirap, Inc. (A Microfinance NGO) started as an action-research project of the College of Economics of the University of the Philippines Los Baños in 1989. Two years later, ASHI, as it is popularly known, was registered at the Securities and Exchange Commission as a non-stock, non-profit non-government organization committed to contributing to the goal of alleviating poverty in the country.

As of March 2024, ASHI has served more than 114,000 marginalized women and smallholder farmers through its 79 branches in 10 provinces in the Bicol, Calabarzon, and NCR regions and the Panay Island.

ASHI is steadfast in its mission of providing a holistic approach for total human and environmental development through the (Grameen) microfinance approach.

Encouraged by this observation, the Microfinance Council of the Philippines, Inc. (MCPI), a national microfinance network committed to improving the inclusive finance sector for its members, started to work on environmental initiatives in 2013. After developing several programs at national level, including a project to build the capacity and knowledge of local microfinance institutions (MFIs) to create programs designed to strengthen their client/members' resilience to climate change, MCPI decided to go even further on Environmental Performance Management (EPM) in the Philippines. In partnership with Cerise+SPTF, they have launched a training session to strengthen the capacities of MCPI staff to support financial service providers (FSPs) in assessing and managing their environmental performance; and have worked to engage FSPs in the Philippines in EPM through awareness-raising, environmental performance assessment, and action planning. Ahon sa Hirap, Inc. (ASHI), a Microfinance NGO, responded to this initiative and assessed its environmental. Since its early years, ASHI's financial services for poverty alleviation have always been complemented with environment-friendly activities. These actions were **guided by ASHI's 10 Desisyon** (10 Decisions) – patterned after Grameen Bank's 16 Decisions - by which ASHI management, staff, and members pledge to live day by day. **Family, community, and environment**, the three pillars of *10 Desisyon*, became the framework of compassion that steered ASHI's goals for a better quality of life for the members and their family, to help others and the community, and for a cleaner and greener environment. To sum the third pillar: *for the environment - plant vegetables, keep toilets clean, and ensure safe drinking water.*

First green actions

Very early, aligning its financial services to the *10 Desisyon*, ASHI offered mainly business and agricultural loans to members. Alongside these services were **clean-up drives** in the *sentros* (centers) that spread to the *barangays* (villages) that ASHI served. While the loans initially responded to the family and community pillars of the *10 Desisyon*, the clean-up drives were more a sanitary concern (clean center meeting venues) than a full grasp of the concept of environmental protection.



But by 2005, a number of branch managers started organizing **tree planting activities** in their areas of operation during ASHI anniversary celebrations. Deserie Goto, head of plans and programs department



and in-charge of compliance, and an ASHI employee of 28 years, shared that this idea that came from the ground has since taken root and, by 2021, is being done across all branches.

Building its environmental strategy

Beginning 2015, the institution began offering a **range of dedicated green loans** that address different environmental issues and promote environment-friendly technologies. These loans, which fall under K Loan (K for *Kapaligiran*, meaning environment), include the following:

- **Water Purifier Loan.** This loan allows members to get Unilever’s water purification units (Pureit) and access to clean drinking water.
- **WASH Loan.** Loans for water, sanitation and hygiene fall under this loan type. This loan product also helps members to install sanitary toilets and water connection for safe and adequate water supply.
- **Solar Loan.** This loan helps members acquire solar products (lighting and appliances) for household and business use.
- **SATO Toilet Loan.** This loan offers affordable and water-saving toilet to members.

In 2017, ASHI included in its strategic plan a **Strategic Goal 4 related to “Taking Care of the Environment”**. The goal included the development of K Loans with a green investment criterion. The criterion requires members to plant a tree for every approved business loan.

By February 2024, ASHI’s loan portfolio for green products and technologies amount to US\$617,000, which is about 2.4% of its total loan portfolio. ASHI’s success in providing these loans is in part due to the **partnerships established with known suppliers and supporters**: Unilever for the water purification units, Water.org for the WASH loans, Hybrid Social Solutions (HSSI) for the Solar loans and LIXIL Corporation for the water-efficient toilet loans.

As K Loans primarily addressed members’ vulnerabilities to environmental issues, ASHI realized that there were also positive ecological benefits - energy efficiency and reduced emissions because of the use of solar products, and water conservation because of Sato toilets that use less water.

The **non-financial services**, on the other, were more deliberate initiatives for the environment. Over the years, ASHI has sustained its clean-up and tree planting drives. Last year, ASHI was able to conduct 49 *barangay* clean-ups and plant 5,000 trees. In 2022, a memorandum on branch anniversary celebrations encouraged ASHI branches to have **more meaningful themes** that focus on taking care of the environment and on **disaster preparedness**, among other topics. Branches were also reminded to use eco-friendly materials and keep the venue clean during and after celebrations. In their day-to-day work, green practices such as reduction of paper consumption,



holding of online meetings for reduction of car use/fuel consumption, waste segregation, and use of solar products have been instilled in ASHI staff. At the branch and center levels, **discussions on environment and climate change are included during K Loans product orientation**. Engagements with the local government units, and government agencies such as the Department of Agriculture and the Department of Environment and Natural Resources have also opened doors for training workshops

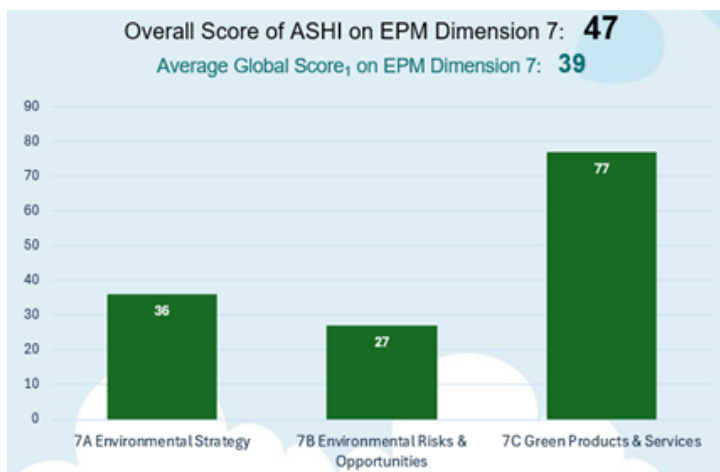
on environmental protection and sustainable practices. So far, 596 staff members have participated in the training sessions.

As an added and fun reminder of these green practices, ASHI has been recognizing the efforts of its staff and members toward a clean environment through the **3K Awards**. The awards program searches for the clients, client center halls, and branch offices with the best practices on solid waste management, planting, and other environmental-friendly initiatives. The winners in these levels compete for the national level prize.

Yet, while ASHI's strategic environmental goal has institutionalized environmental protection initiatives, the activities were not supported by any actual data (e.g., number of clients without solid waste management practices). In fact, the inclusion of the environment pillar in the strategic plan was prompted largely by the awareness that, according to ASHI President Mercedes Abad, something has to be done. The **Environmental Policy and Strategic Plan for 2023-2025**, however, showed a more focused environmental action by setting objectives and strategies, activities, timeframe and responsible departments, and outputs. But inasmuch as the goals are clear, they are broad and activity or output-oriented, and not targets and outcome-specific.

Assessing ASHI's environmental performance

Engaging in EPM was evidence for ASHI to translate their commitments to SG4 into reality. The EPM introductory training workshop organized by MCPI in partnership with Cerise+SPTF in February 2024 presented the opportunity for ASHI to strengthen its SG4 initiatives. It was among the first batch of MFI members of MCPI that participated in the first EPM training workshop. ASHI was also among the first batch of MFIs that responded to MCPI's call for EPM assessment. It was assessed in April 2024 with the Focus Green tool, a tool developed by Cerise+SPTF to assess an FSP's strengths and weaknesses in managing environmental risks and adopting eco-friendly practices. The trained MCPI team visited the ASHI head office directly, over a period of two days, to interview staff and management team in person. After carrying out all the evaluation, ASHI obtained an overall score of 47/100.



The assessment results showed that the strength of ASHI lies in the buy-in from the management and staff of its environmental protection initiatives. The number of ASHI's financial and non-financial services demonstrates its commitment to the *10 Desisyon*. Recognizing that environmental vulnerabilities are also a social concern, it offers financial services that can cushion and reduce the effects of these vulnerabilities to the members' lives and livelihood. However, the development of ASHI's loan products, while intended to address environmental vulnerabilities, was not necessarily

linked to environmental risks. There was no formal assessment of members' risks – no mapping of hazards in their respective branches/communities, no formal needs assessment on members, and no data on their adverse impact to the environment. Such that, while these loans are well-intentioned and helpful, they are not anchored on an environmental risk-based strategy. The same can be said for ASHI's non-financial services. Its awareness campaign initiative, for example, requires a better

understanding of ASHI's "public" – who they are, where they are, what environmental risks they are exposed to – to determine the key messages and the right channels for a more effective information and education campaign.



Looking at SG4 through EPM lens

We only have one Earth. If we don't take care of it, who will?

Ms. Mercedes Abad
ASHI President

When asked why ASHI included SG4 in its strategy, its president Ms. Abad succinctly summed the motivation for this decision: "We only have one Earth. If we don't take care of it, who will?" That is why beyond the scores, ASHI found two invaluable results from the EPM assessment: seeing how well ASHI's environmental initiatives fare against standards; and seeing the results that can guide it in targeting and achieving environmental goals most efficiently and effectively. For Ms. Abad, the assessment showed how ASHI can formalize its environmental initiatives to improve its EPM.

The way forward

From years of experience in implementing its green initiatives, ASHI learned that it is important that everyone – those in the institution and the members – is aware of climate and environmental issues, understand how these issues affect them as well as how they impact these issues. Equally important as awareness raising is commitment building among stakeholders so that they continue to put their stake on environmental efforts. At present, ASHI is stepping up its education campaign on climate change especially for mothers and the youth. It is also in the process of improving its systems and putting members' business information in its system for risk assessment purposes and efficient monitoring of targets on environmental initiatives - leveraging technology to advance ASHI's environmental protection goals.

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Cover page photo taken by Maxence Soulet.

Visit [ASHI website](#) to learn more about their projects.