

**Environmental Performance
Management:
The Experience of K-Coop,
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).

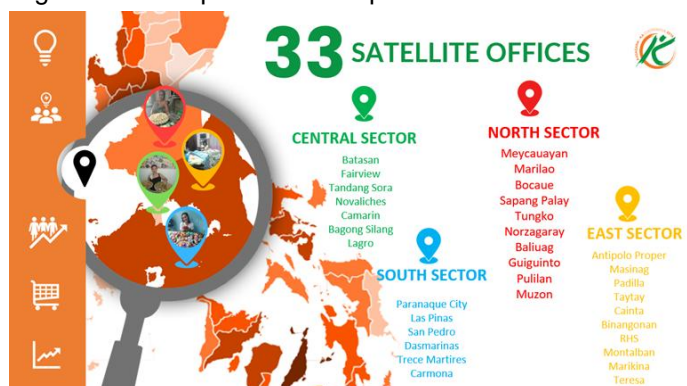
About K-Coop

Kabuhayan sa Ganap na Kasarinlan Credit & Savings Cooperative (Kasagana-ka Coop or K-Coop) is a cooperative duly registered under the Cooperative Development Authority on February 2016. It aims to help improve the quality of life of its members in urban and peri-urban communities through authentic economic and social empowerment using microfinance as a strategy for its members to gain access to collateral-free credit for self-help activities.

K-Coop is the fourth organization under the Kasagana-ka Synergizing Organizations (KSO). It was a spin-off from Kasagana-ka Development Center, Inc. (KDCI) to clearly separate the social programs from the credit and savings programs and services. They operate in the National Capital Region, Laguna, Cavite, Rizal, and Bulacan. Currently, they have 51,000 members with a gross loan portfolio of Php400 million.

Encouraged by this observation, the Microfinance Council of the Philippines (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 to create programs designed to strengthen their clients' resilience to climate change, MCPI decided to go even further on **Environmental Performance Management 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 environmental performance management (EPM) through awareness-raising, environmental performance assessment, and action planning. **Kabuhayan sa Ganap na Kasarinlan Credit & Savings Cooperative (Kasagana-ka Coop or K-Coop)** responded to this initiative and assessed its environmental performance with the support of the MCPI.

Figure 1. K-Coop's Areas of Operation



Urban Clients, Urban Environmental Issues

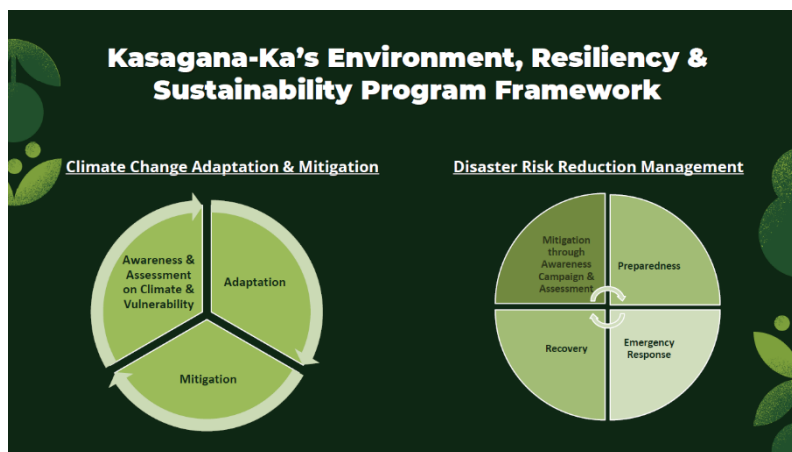
K-Coop has mostly urban clients, who are engaged in home-based businesses such as retail store, food vending and junkshop. When Typhoon Ketsana¹ hit Metro Manila and its neighboring provinces in 2009, over 2,000 clients and more than 20 employees lost their homes, businesses and other properties affected. This prompted KDCI to pursue **disaster preparedness, response and recovery** as one of its core programs, and to offer a **Housing Loan** to clients.

KDCI soon realized that disaster risk reduction would not be enough to truly address the adverse impacts of the growing threats of natural and man-made disasters on clients. With the support of Trias, a Belgian development organization, K-Coop decided to integrate **Environment, Resiliency and Sustainability (ERS)** in its strategic plan as its sixth program pillar in 2022. K-Coop's ERS framework has a two-pronged strategy: **disaster risk reduction management**, and **climate change adaptation and mitigation**. To strengthen its strategies on climate change adaptation and mitigation, K-Coop participated in the Green Inclusive Finance (GIF) project of the Microfinance Council of the Philippines²

in 2018. Technical assistance under GIF on energy needs, climate risks and vulnerability assessment helped K-Coop identify **extreme urban heat** as the primary environmental risk affecting the members, their households and businesses. This key information helped K-Coop develop an **energy efficiency strategy for urban housing**, that would include climate smart interventions and green technology solutions.

Strengthening the ERS Strategy

As part of its ERS strategy, K-Coop implemented the GREENS (Growing Resilience, Energy Efficiency, Environment and Sustainability) Program. The program was built on the following key elements: (1) awareness and assessment on climate change and vulnerability; (2) mitigation; and (3) adaptation.



K-Coop's ERS Framework

Implementation of GREENS involved the following:

- *Training cooperative members/clients to become trainers on environmental protection as part of an awareness and education campaign. These clients, who are also trained on community-based disaster risk reduction and disaster preparedness, are expected to conduct orientation and awareness sessions for other clients. 3S Kadets on GREENS. 3S (Security, Shelter and Safety) Kadets are K-Coop members who are trained to support K-Coop in its community-based disaster risk reduction management and center/family disaster preparedness. For CCAM, 3S Kadets are expected to support K-Coop's awareness and education campaign on environmental protection.*
- *Awareness sessions for member-clients and employees. These learning sessions cover environmental issues (e.g., climate change) and concepts such as disaster risk reduction, energy efficiency and sustainability. It is conducted by clients (known as 3S Kadets) at their center, with modules consisting of three topics: environment, resiliency and sustainability. These are carried out for three months, covering one topic per month and usually takes 30-45 minutes, depending on the flow of discussion in the center.*
- *Assessment of environmental risks and vulnerabilities, which included the use and development of an **energy efficiency house assessment tool**. This tool is required to be filled out by GREENS Loan clients, who specifically use the loan for energy-efficient appliances. Before processing of the loan, the branch will check the form for the recommendation of the branch manager. The cooperative also began using the **geographic information system (GIS) map** to assess institution- and client-level vulnerabilities to climate issues and natural hazards. (See Box 1 for more details.)*
- *Delivery of financial products that support green technologies and address client vulnerabilities to climate issues. Specifically, GREENS loans are for **energy efficient appliances and***

Box 1. Navigating Resiliency through Geo-Hazard Mapping

K-Coop’s use of a web-based geo-hazard mapping tool (called the ArcGIS) is part of a move to improve the capacity and knowledge of the staff in disaster and crisis preparedness, particularly the challenges brought about by the COVID-19 pandemic. After a training in 2021, K-Coop began using the tool to map out and identify natural and technological threats to a particular community.

The GIS mapping tool identifies relevant hazards that K-Coop offices and areas are exposed to and the distances to the source of hazard, for example, river or earthquake fault line. Official data is plugged into the maps specifically designed for K-Coop’s branches, while the hazard maps are attached to the branches’ online profile and story maps. Data in the profile include demographics, survey results, social investigation report, barangay data, milestones, strategies, and plans. The story map, on the other hand, is a visualization report on the hazards and risks present in the K-Coop areas of operation. A sample of an ArcGIS Story Map can be accessed here: <https://storymaps.arcgis.com/stories/e6c803a8b5b4487d9b7671ca405d38a7>, and is shown in Figure 2.

- **housing design, renewable energy or solar products** (lighting or home systems), **WASH** (water, sanitation and hygiene) and other **green enterprises** (e.g., recycling). Depending on the specific loan product, the maximum loanable amount is PhP100,000 (1,700 USD) with a loan term of 15-50 weeks and a diminishing interest rate of 3% monthly. For members whose families and businesses are affected by calamities, a calamity loan is offered with a maximum loan amount of PhP5,000 (85 USD) payable within 15-25 weeks with a diminishing interest rate of 3% monthly.

- *Activities that support environmental protection*, such as tree planting, urban gardening by members, and organizing or clustering of members according to businesses to undertake environmental initiatives (e.g., plastic collection with junkshop owners).

From all these initiatives, K-Coop intends to **assess outcomes** by looking at the presence of energy efficient appliances in member households, members who have adopted sustainable housing design, and members who shifted to green practices in their household and businesses.

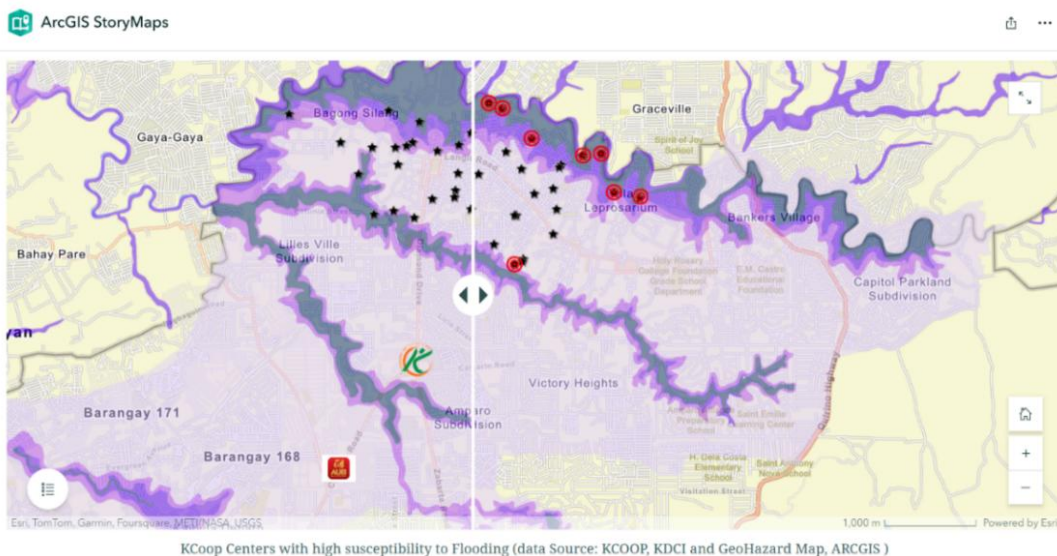
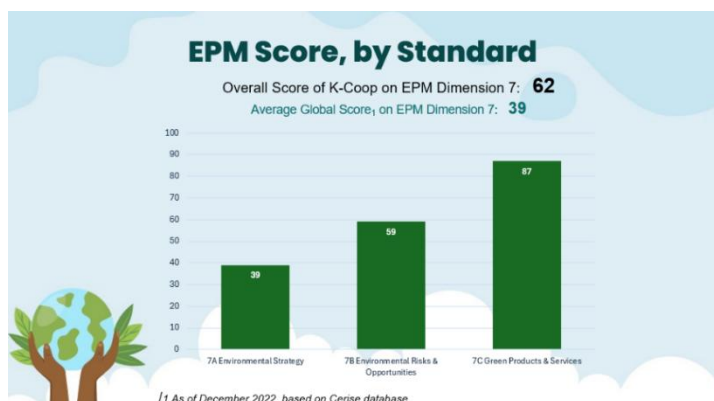


Figure 2. K-Coop ArcGIS Story Map

K-Coop's Environmental Performance



Along with other FSPs in the Philippines, K-Coop attended the Environmental Performance Management (EPM) Introductory Training organized by MCPI in February 2024. The workshop, which was a partnership between MCPI and Cerise+SPTF, presented an opportunity for K-Coop to further improve its environmental performance management. K-Coop was also among the first batch of FSPs that responded to MCPI's call for EPM assessment.

It was assessed on May 2024 with the Focus Green tool, a tool developed by Cerise+SPTF to assess a financial service provider's strengths and weaknesses in managing environmental risks and adopting eco-friendly practices. The trained MCPI team visited the K-Coop head office to interview staff and management team in person. After the evaluation, K-Coop received an overall score of 62, which is significantly higher than the global average of 39.

K-Coop's EPM assessment showed promising results with practices aligned with the standards, particularly in Dimension 7C (Green Products and Services) which recognizes its implementation of the GREENS loans and several non-financial services on environmental protection. K-Coop's practices to assess institution and member-level environmental risks also contributed to a satisfactory score in Dimension 7B (Environmental Risk and Opportunities). With the continuing implementation of programs, products and services under ERS, K-Coop is seeing improvements in performance particularly in the following aspects:



- 63 3S Kadets trained with 1,671 members and 324 employees trained on GREENS.
- 906 members assessed using the energy efficiency house assessment tool.
- 1,407 members with GREENS loans with disbursements amounting to EUR 380,000 (PHP22.9 million).
- 620 members who adopted energy efficient practices and house designs.
- All 33 K-Coop branches have geo-hazard mapping profiles.
- 55 centers with community-based disaster risk reduction management CBDRRM plans.

Moving Forward with Key Lessons on EPM

In its action plan, K-Coop is committed to further improve its environmental strategy by making it more coherent and well defined with specific goals and output/outcome indicators. It will also ensure that the environmental strategy is understood and appreciated at all levels – from the board members to the staff and client-members. As they move forward on their EPM journey, they carry with them some key lessons:

- *Importance of strategic alignment.* It is sometimes the case that an institution defines an environmental strategy without the appreciation of other internal stakeholders. For K-Coop, they learned that the success of EPM depends on aligning strategic goals with operational activities. This will not only generate broader internal buy-in but also create ownership and responsibility for the results.
- *Value of comprehensive assessment.* A thorough assessment of current capabilities and status is essential to identify strengths, weaknesses, and opportunities. K-Coop also recognized the importance of third-party assessments such as the EPM audit done on the institution, which can give objective and unbiased assessment of practices.
- *Critical role of data and analytics.* Similarly with social performance management, accurate and accessible data is the backbone of effective EPM, particularly in terms of decision making, monitoring of results and analyzing outcomes. K-Coop also recognizes the importance of good data in environmental risk analysis.
- *Emphasis on leadership commitment.* Institutional leaders must champion environmental initiatives and can demonstrate this by allocating resources and inspiring buy-in at all levels.
- *Fostering partnerships.* External support and expertise aid in building the organization's capacity and knowledge to effectively incorporate EPM in its plans and programs. This is also the reason why seeking and engaging partners for good EPM is an integral part of the EPM standards.

*Article written by Lalaine Joyas and Noriel Victoria Tolentino,
in collaboration with MCPI and Cerise+SPTF.
Visit [K-Coop website](#) to learn more about their projects.*

