



Unlocking Global Climate Capital Through Credit Unions

Reimagining Climate Finance

October 2025

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Acronyms

APIs	Application Programming Interfaces
BUGEMCO	Bukidnon Government Employees Multi-Purpose Cooperative in the Philippines
CFF	Central Finance Facility
CPI	Climate Policy Initiative
CRESOL	System of Rural Credit Cooperatives with Solidarity-based Interaction in Brazil
CSRD	Corporate Sustainability Reporting Directive
DAC	Development Assistance Committee
DEIJ	Diversity, Equity, Inclusion, and Justice
EMDEs	Emerging Markets and Developing Economies
ESG	Environmental, Social, and Governance
ESRMS	Environmental and Social Risk Management Systems
GRI	Global Reporting Initiative
IRIS+	Impact Reporting and Investment Standards (Plus)
ISSB	International Sustainability Standards Board
JCCUL	Jamaica Co-operative Credit Union League
KII	Key Informant Interview
NATCCO	National Confederation of Cooperatives (Philippines)
NPL	Nonperforming Loan
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
PAR	Portfolio at Risk
PCAF	Partnership for Carbon Accounting Financials
SACCO	Savings and Credit Cooperative
SARAS	Environmental and Social Risk Management Systems
SDGs	Sustainable Development Goals
SPTF	Social Performance Task Force
TA	Technical Assistance
TCFD	Task Force on Climate-Related Financial Disclosures
U-IMCEC	Union des Institutions Mutualistes Communautaires d'Épargne et de Crédit in Senegal
UM-PAMECAS	Union des Mutuelles du Partenariat pour la Mobilisation de l'Épargne et du Crédit Au Sénégal
USD	United States Dollar
WOCCU	World Council of Credit Unions

Executive Summary

Introduction

World Council of Credit Unions (WOCCU) is pleased to publish this study, funded by Climate Finance Fund, which analyzes the role of credit unions across the Global South in advancing inclusive and climate finance. It reviews their institutional structures, financial strength, and governance, and examines how climate priorities are being incorporated into their products and operations. This study highlights both the constraints that restrict access to climate capital and the opportunities to align cooperative finance systems with global investment flows—positioning credit unions as credible partners in building community resilience.

Global climate finance has grown rapidly, surpassing USD 2 trillion in recent years. Yet most of this funding continues to move through large commercial intermediaries and remains concentrated in middle- and high-income markets. Local financial institutions such as credit unions—trusted, community-based actors with deep local knowledge—remain largely overlooked as channels for directing climate investment to where it is most needed.

This study draws on three complementary data sources: WOCCU's 2024 Statistical Report covering 76 Global South countries, a survey of 186 credit unions across 40 countries, and semi-structured interviews in seven countries offering deeper qualitative insight. Together, these sources offer an indicative picture of how credit unions in the Global South are positioned for climate and inclusive finance.

Current Credit Union Practices in Climate and Inclusive Finance

Today, the Global South is home to nearly 58,000 credit unions across 79 countries, serving 232 million members and managing USD 578 billion in assets and USD 350 billion in loans. Across this network, credit unions maintain a strong commitment to inclusion, reaching members who otherwise face barriers to finance. Many credit unions intentionally target vulnerable groups, including women and youth, people with disabilities, indigenous people, migrants, and other marginalized communities. Focus on low-income households, informal enterprises, and small agricultural producers is widespread, especially in Asia and Latin America. Almost half of the loan portfolio of surveyed credit unions is directed toward underserved groups.

Climate lending appears to be in its early stages but is gaining traction. About one-third of surveyed credit unions report offering at least one product linked to adaptation, mitigation, or environmental sustainability, such as renewable energy, energy-efficient housing, or climate-smart agriculture. Actual activity may be higher, as many have not yet classified these as climate-specific products. Credit unions also appear to be embedding climate and inclusion more formally within their structures and products. More than half report climate-related goals and ESG policies, while others are beginning to adopt disclosure frameworks and build internal capacity to meet emerging climate requirements. Taken together, these efforts reflect a strong commitment to inclusion and an emerging focus on climate finance.

Drivers of Climate and Inclusive Finance for Credit Unions

Sustainability is often viewed as an extension of credit unions' cooperative purpose and local accountability to their members. Consistently, credit unions highlight the view that environmental and social goals are inseparable from their members' well-being. This is especially true for credit unions serving farmers facing droughts and floods, youth seeking livelihoods, and communities managing rising climate risks.

Regulation appears to be an emerging driver of climate finance in the credit union sector. Many markets now apply climate or environmental requirements. These range from environmental, safety, and disaster-preparedness rules to the incorporation of ESG principles—and, in a few jurisdictions, more in-depth reporting obligations and emerging national taxonomies. Most surveyed credit unions report that some form of climate regulation already applies to them, and that they are largely in compliance. As regulations continue to evolve, these are likely to drive further actions across the sector.

Shared service platforms likewise play an important enabling role. About two-thirds of surveyed credit unions use at least one shared digital service, and nearly half participate in central finance facilities (CFFs). Through such initiatives as upgrading digital systems to attract younger members, linking climate lending to digital payments, tracking gender and impact data, and promoting investment in social and environmental initiatives, these shared services are important steps to encourage credit unions to deepen their investment in inclusive and climate finance.

Conclusions & Recommendations for Action

The study details credit unions' institutional profiles by region and asset size, financial performance, digital readiness, and member and social focus. While broad, the results are not representative, with a higher share of larger institutions featured. Therefore, this report should be interpreted as illustrative.

- **Appetite for borrowing:** As credit unions strengthen the foundations for climate and social finance, they signal an interest in external funding to expand these efforts. Nearly three-quarters of surveyed institutions express interest in borrowing, prioritizing growth, social impact, climate lending, working capital, and gender-focused initiatives. Regional trends vary. Demand appears highest for both inclusive and climate funding among African credit unions, while those in Latin America place greater emphasis on social and working-capital needs. Asian credit unions report a balanced mix of priorities. This presents an opportunity for global investors to channel climate and development capital through trusted community-based credit union networks.
- **Importance of technical assistance:** Across regions, credit unions emphasize the importance of affordable, longer-term funding paired with technical assistance. Many have limited experience with external investors and note the need for guidance in meeting compliance and reporting requirements. Further, technical assistance and capacity building are viewed as essential complements—particularly when introducing new climate, green, or impact products.
- **Deep commitment to inclusive finance:** Across the Global South, credit unions demonstrate substantial reach and readiness to channel inclusive, climate-related finance. Nearly all report outreach to vulnerable groups—especially women and youth—who comprise most of their members and borrowers. About half of total lending is directed to low-income households, informal enterprises, and smallholder farmers, reinforced by education and community programs that promote inclusion and climate awareness. Diversity and inclusion among members is strong, though women remain underrepresented in credit union leadership.
- **Climate driven by social purpose:** Climate finance activity is still emerging, but steadily expanding, with products linked to renewable energy, sustainable agriculture, and green housing. For many institutions, climate action is viewed as an extension of their founding mission to strengthen member well-being and community resilience, rather than as a compliance or donor-driven goal.

“About half of total lending is directed to low-income households, informal enterprises, and smallholder farmers”

With targeted support for capacity building, blended finance, and standardized reporting frameworks, credit unions are well positioned to serve as locally-rooted, community-based intermediaries—linking global climate finance with outcomes in local resilience and inclusion it aims to achieve.

1.0 Introduction

1.1 Purpose and Rationale

In 2024, global climate finance surpassed USD 2 trillion, up from USD 1.9 trillion in 2023, reflecting continued growth in public and private investment.¹ Private capital constitutes nearly 59% of global climate finance, but remains concentrated in high-income markets leaving public institutions to fill the gap in low- and middle-income countries, where private funding accounts

“Less than 2% of total climate disbursements reach local or small-scale actors”

for only about 20% of climate investment.² According to the Climate Policy Initiative’s dataset, less than 2% of total climate disbursements reach local or small-scale actors.³

This pattern limits impact, as capital rarely reaches rural or low-income areas where exposure to climate shocks is greatest.⁴ Unfortunately, local financial institutions that understand their members seldom receive climate investment.⁵

Credit unions offer a practical alternative that investors have not yet fully recognized.⁶

They are member owned and exist to serve people rather than shareholders.

Their governance allows members to shape their priorities, while their business model reinvests surpluses into local economies. These features make credit unions naturally aligned with fairness, inclusion, and equity. They amplify diverse voices, distribute opportunity broadly, and strengthen resilience from within communities.⁷

The Climate Finance Fund has already partnered with some credit unions in Global North to advance climate finance, which offer some important experiences and lessons for the global movement. One example is Clean Energy Credit Union in Colorado, United States.

Case Study:

Clean Energy Credit Union: Lessons from the United States

Founded in 2017 by solar industry professionals in Colorado, Clean Energy Credit Union (Clean Energy CU) is digital only credit union, channeling community savings into affordable loans for households unable to meet the upfront costs of clean-energy investments. By November 2025, Clean Energy CU had over 13,000 members, managed USD 111 million in assets, and originated nearly 15,000 clean-energy loans worth USD 270 million—mostly for residential solar, with growing portfolios in electric vehicles, e-bikes, and home efficiency. Clean Energy CU’s experience shows that credit unions can play a central role in financing climate solutions when they start with a clear goal and build strong industry partnerships.

From the start, Clean Energy CU partnered with clean-energy suppliers to design loan products that matched market needs. It reviews and approves participating solar companies, requires workmanship warranties, and works with suppliers that respond to local housing, energy, and climate conditions in each market. Through these partnerships, customers often learn about financing directly from installers, linking service delivery with access to credit. Clean Energy CU’s internal experts review each system’s quality, cost, and expected performance before approval. It has had to get creative to lower cost and manage risk—building loan-loss reserves and structuring loans to align with federal tax credits and incentive programs.

Clean Energy CU is helping to build momentum for clean-energy lending within the U.S. credit union sector by sharing its model, participating in peer working groups, and selling USD 89 million in loans to other credit unions, helping them to build a loan portfolio in this sector. It has worked with regulators to help them understand and attempt to adapt standards and reporting for this new asset class. To ensure transparency, Clean Energy CU tracks carbon reductions through its public carbon calculator and keeps members informed about collective environmental outcomes. A well-timed grant from such organizations as the Climate Finance Fund have been critical in covering start-up costs for systems, staffing, and technology, bridging the gap between early innovation and sustainable climate lending.

Clean Energy CU’s model highlights the value of co-designing products with suppliers of climate solutions, setting quality standards, and building internal expertise to evaluate technologies and manage risk. Its creativity in using loan-loss reserves and aligning lending with public incentives reduced costs while safeguarding portfolios. Equally important are transparency and trust, built through tracking and reporting impact to members strengthened accountability and engagement.

World Council of Credit Unions (WOCCU) is the global credit union network that aims to advance financial inclusion through the credit union and cooperative model by engaging in international advocacy, development, education and networking that empowers underserved populations, and promotes more equitable and resilient communities.

This study aligns with WOCCU’s goal to advance financial inclusion through credit unions through building resilient and equitable financial systems. The findings provide new evidence to help investors and policymakers understand the untapped potential of

credit unions. It supports the mission of the Climate Finance Fund to connect global capital with reliable local partners in the Global South. The report documents credit union engagement in climate and inclusive finance across 79 Global South countries where WOCCU member or partner credit union associations are present, and assesses the potential to enhance their capacity to channel sustainable investment toward local communities.

1.2 Objectives

To achieve this, the study pursues three main objectives:

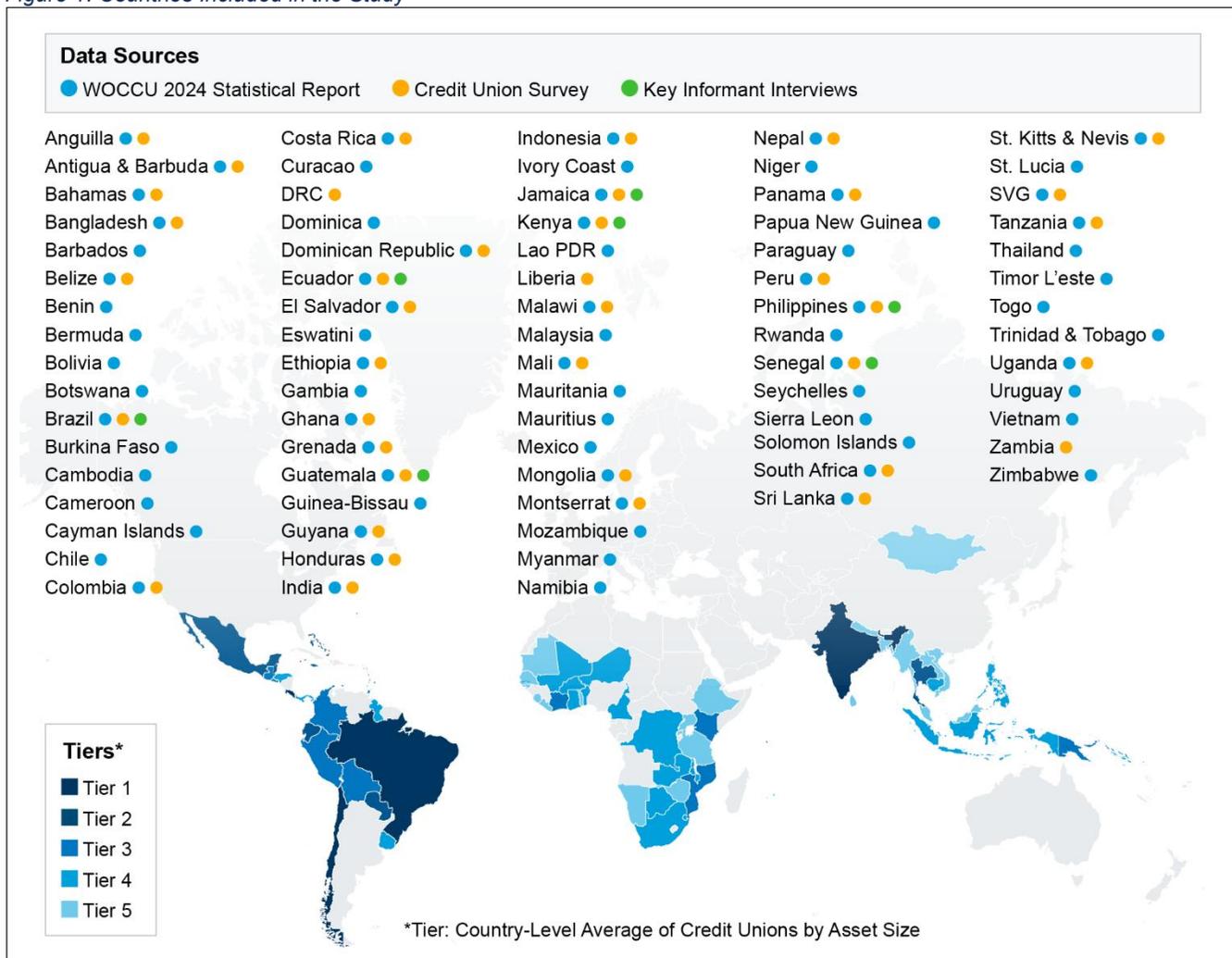
- Map the baseline.** Quantify the current level of credit union activity in climate and inclusion finance across 79 countries with WOCCU member and partner associations, anchored by detailed credit union responses from 40 OECD DAC countries.
- Assess readiness and capacity.** Examine governance, staff skills, and digital systems that support credit union climate-related products.
- Identify enabling conditions.** Analyze regulatory, policy, and investor factors that shape access to climate capital.

This study seeks to assess the potential of credit union networks to mobilize and invest private and concessional capital that delivers measurable climate impact while addressing principles of diversity, equity, inclusion, and justice.

1.3 Scope

For the purposes of this study, the term *Global South* refers to 79 countries where WOCCU members and partners operate that are eligible for Official Development Assistance under the OECD Development Assistance Committee (DAC) list, excluding those in Europe, with the exception of Ukraine⁸ and including the Caribbean.

Figure 1. Countries Included in the Study



2.0 Methodology

2.1 Data Collection

The study adopted a mixed-methods approach with both quantitative and qualitative survey instruments.

Credit Union Association Survey

In preparing its 2024 Statistical Report, WOCCU expanded its annual survey of credit union associations to include specific questions on climate, diversity, equity, inclusion, justice, and investment demand, the results of which were incorporated into this study. The 2024 Statistical Report collected data from 101 countries, including 76 of the 79 countries in the Global South. Survey responses from WOCCU's member and partner national and regional associations were complemented by public data from central banks and other cooperative financial organizations. The association survey provides a basis for quantifying the population of credit unions across the Global South.

Asset Tier	
1	>100M USD
2	40–100M USD
3	10–40M USD
4	1–10M USD
5	<1M USD

To gauge size and scale across regions, credit unions are grouped into five asset-based tiers, from Tier 1 (largest) to Tier 5 (smallest). The association-level data captures national totals for key indicators, such as the number of credit unions, members, deposits, loans, capital, and assets. Because it does not include data for individual credit unions across the network, national averages are used as a proxy to assign all credit unions in each country to the tier that reflects their average size. Once grouped, the totals within each tier illustrate how the network's composition differs by scale.

Using the methodology, the distribution of credit unions in the Global South is presented in the following table.

Table 1. Distribution of Credit Unions in the Global South by Tier

Tier	Credit Unions		Members		Deposits		Loans		Capital		Assets	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
1	2,722	5%	119 M	51%	235 B	63%	190 B	54%	35 B	76%	374 B	65%
2	2,683	5%	23 M	10%	84 B	23%	105 B	30%	2 B	5%	143 B	25%
3	1,795	3%	23 M	10%	23 B	6%	25 B	7%	7 B	13%	35 B	6%
4	4,917	8%	26 M	11%	14 B	4%	16 B	4%	2 B	5%	19 B	3%
5	46,429	79%	40 M	17%	16 B	4%	14 B	4%	0.6 B	1%	7 B	1%
Total	58,546		233 M		373 B		350 B		46 B		579 B	

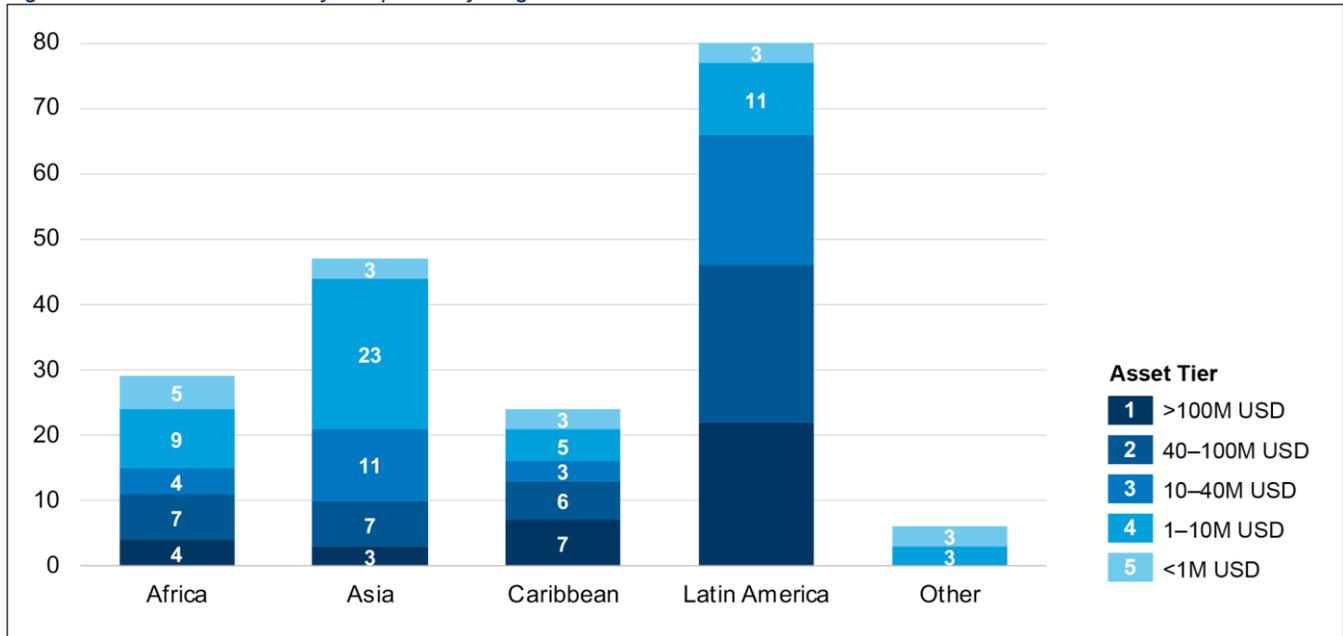
Credit Union Survey

The credit union survey analyzes the differences among credit unions in various regions and of different sizes. In total, 186 credit unions from 40 countries participated in a survey between July and August of 2025. The survey gathered information on institutional profile, portfolio mix, climate-finance products, and operational capacity.

Most responses are from Latin America, followed by Asia as presented in Figure 2 on the following page.

Key Informant Interviews (KIIs)

Based on survey data, seven countries presented high potential to channel climate and impact funds to vulnerable communities. These were Brazil, Ecuador, Guatemala, Jamaica, Kenya, the Philippines and Senegal. In each country, interviews were conducted with two credit unions and one central finance facility, which included national associations, independent financial intermediaries and/or cooperative banks. KIIs sought to clarify the findings of the credit union and association surveys, understand the drivers of their decisions, and discuss practical considerations for channeling global impact funding through credit unions.

Figure 2. Distribution of Survey Response by Region and Size⁹


2.2 Data Analysis and Verification

Analysis

Quantitative responses were grouped by region and size of credit unions and assessed according to a range of questions looking at current practices and priorities in climate as well as diversity, equity, inclusion and justice. The study further explored the drivers behind decisions to make those investments as well as future expectations. Qualitative insights were coded thematically to reveal trends of interest to investors.

Verification

Findings were triangulated across primary data sources to confirm consistencies and identify differences. They were then cross-checked against historical data, including previous WOCCU Statistical Reports, to validate observed trends.¹⁰

2.3 Limitations

While this mixed-methods approach to data collection and analysis provides a broad understanding of the credit union movement in the Global South, the following limitations apply:

- First, applying a proxy to allocate the total population by tier involves certain assumptions that may affect the precision of the distribution.
- Second, of the 79 Global South countries, 76 provided data on the number of credit unions, members, and asset volumes. Of these, only 31 countries (41%) reported at least one data point related to diversity and inclusion—such as gender, age, or target market demographics. Although the sample is reasonably balanced across tiers and regions, the data remain incomplete and must be treated as indicative rather than fully representative.
- Third, the sample of 186 credit unions is too small to support sector-wide conclusions. Given the strong mix of sizes and regions, the findings are useful for identifying tendencies, but the regional and tier-level results should be interpreted as indicative of trends rather than fully representative of credit union behavior in each region.
- Finally, the sample distribution by tier and region is skewed toward larger credit unions – particularly in Africa - and toward Latin America and the Caribbean in terms of numbers. As a result, the quantification of global potential demand cannot be directly extrapolated from the sample; however, the reported volumes can provide a reasonable indication of overall potential.

3.0 Context

3.1 Trends in Global Climate Capital Flows

Global climate finance continues to grow. Total global climate finance was estimated to surpass USD 2 trillion in 2024.¹¹ Despite this, only a modest share of international flows makes its way to emerging and developing economies (EMDEs). In 2023, USD 196 billion (under 10%) of international climate finance went to EMDEs, which underscores persistent imbalances.¹²

The communities least able to access climate funding are often those in fragile geographies—coastal slums, riverine flood zones, Amazon frontier settlements, and isolated rural areas—as well as marginalized groups, such as women-headed households and informal enterprises. These populations face structural exclusion: limited formal credit history, weak institutional capacity, and low visibility in mainstream financial systems. The reality is that many climate funds are structured for large projects and institutional recipients, making it difficult for small-scale, dispersed communities to qualify.¹³

Institutional and procedural hurdles amplify this disconnect. Strict accreditation standards, requirements for sophisticated financial and environmental reporting, high transaction costs, and complex due diligence processes favor large intermediaries over grassroots actors.¹⁴ In many cases, national or regional implementing agencies absorb sizeable overhead costs before passing on funds, so that only a fraction reaches communities. Local entities are often disqualified for lacking the administrative, accounting, or risk management systems that investors expect.¹⁵

3.2 The Missing Link: Credit Unions

Simply increasing climate finance is not enough; without strengthening local conduits, capital will continue to bypass vulnerable communities. In this context, credit unions offer a compelling bridge. Embedded in communities, trusted by members, and accustomed to tailoring lending to local needs, credit unions are well positioned to channel climate finance where it is most needed. To do so, however, they require concessional capital, tailored technical assistance, and proportional reporting requirements.

Credit unions in many countries have long reached marginalized communities, serving hundreds of millions of people through financial services tailored to underserved markets such as rural populations, women, ethnic minorities, and migrants. As member-owned and governed institutions, they operate under a model that promotes just practices and respect for diverse perspectives. Their deep community ties allow them to understand their members' individual preferences, financial behaviors, challenges and risks. Yet, while climate and impact investors seek to reach these same communities,¹⁶ credit unions remain largely excluded from formal climate-finance systems, accounting for less than 1% of tracked portfolios.¹⁷

WOCCU recognizes that credit unions have the potential to play a significant role in financing climate solutions around the world, particularly in the Global South, and that its global platform can help accelerate these efforts. Its Climate Influencers Network has already seen encouraging progress: credit unions have launched climate finance products, invested in climate risk assessment technologies, and aligned sustainability goals with the SDGs. They are starting to finance climate-friendly enterprises and forge links to carbon markets. Yet several barriers remain, notably the absence of consolidated data, which has discouraged investors that need scale and comparability.¹⁸

The present study aims to address this challenge by documenting credit unions' current engagement in inclusive and climate finance across the Global South, analyzing the underlying drivers and future plans for scaling investment in these markets.

Case Study: Bacbacan Multi-Purpose Cooperative (Philippines)

Bacbacan Multi-Purpose Cooperative is a dynamic rural credit union in the Philippines serving small farmers in hard-to-reach areas. With 6,000 members (two-thirds women) and USD 2 million in assets, it delivers financial services that bring stability and opportunity to low-income households often excluded from the formal financial system.

Beyond lending, Bacbacan invests deeply in financial education, helping members, especially women, build skills in budgeting, saving, and responsible borrowing. Through partnerships with its national association and an international education network, it promotes financial literacy and youth savings in local schools. The cooperative also links farmers to markets and provides warehousing services to strengthen livelihoods.

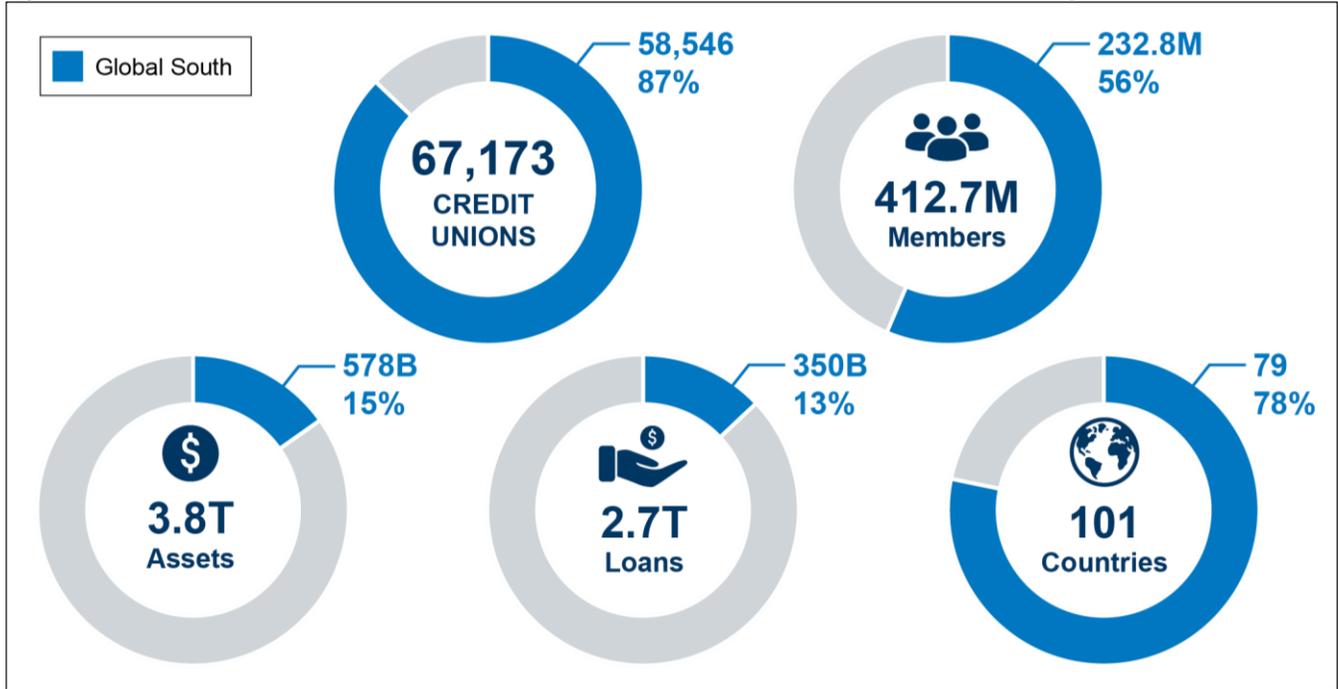
Now, Bacbacan is taking bold steps toward climate action. It operates a solar-powered warehouse to cut milling costs and plants fruit trees with local authorities to protect the environment and create income. Bacbacan also offers training on waste management and weather-risk insurance to help farmers adapt to a changing climate.

4.0 Institutional and Demographic Characteristics

4.1 Institutional Profile

According to the 2024 Statistical Report, WOCCU's members and partners span 101 countries and serve hundreds of millions of members.

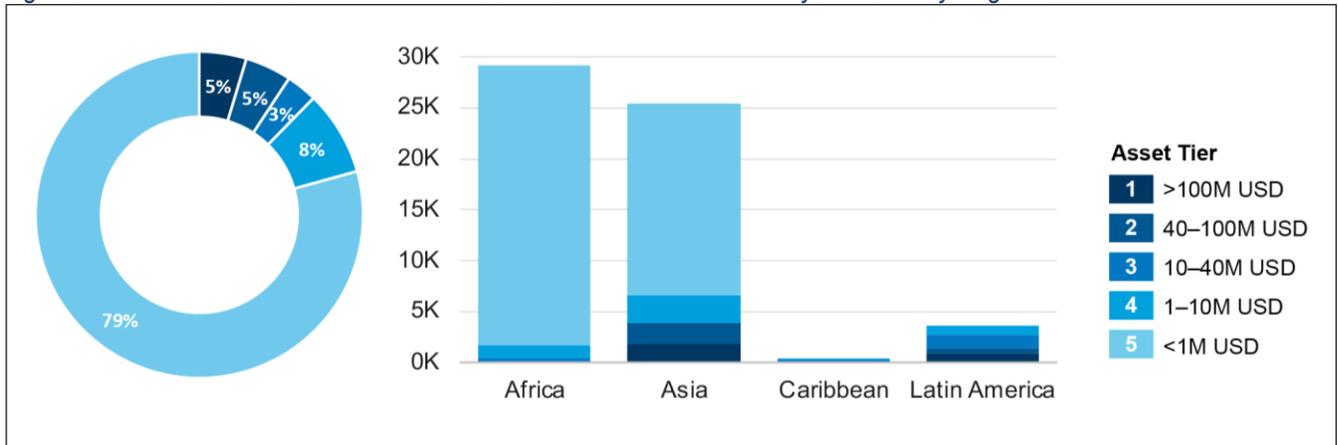
Figure 3. Size and Scale of Credit Union Movement and Global South Countries Included in this Study



The 79 Global South countries account for most of the world's credit unions and members, holding assets exceeding half a trillion dollars.

Applying the methodology described in Section 3.1, the following figure illustrates how credit unions across the Global South are distributed by tier.

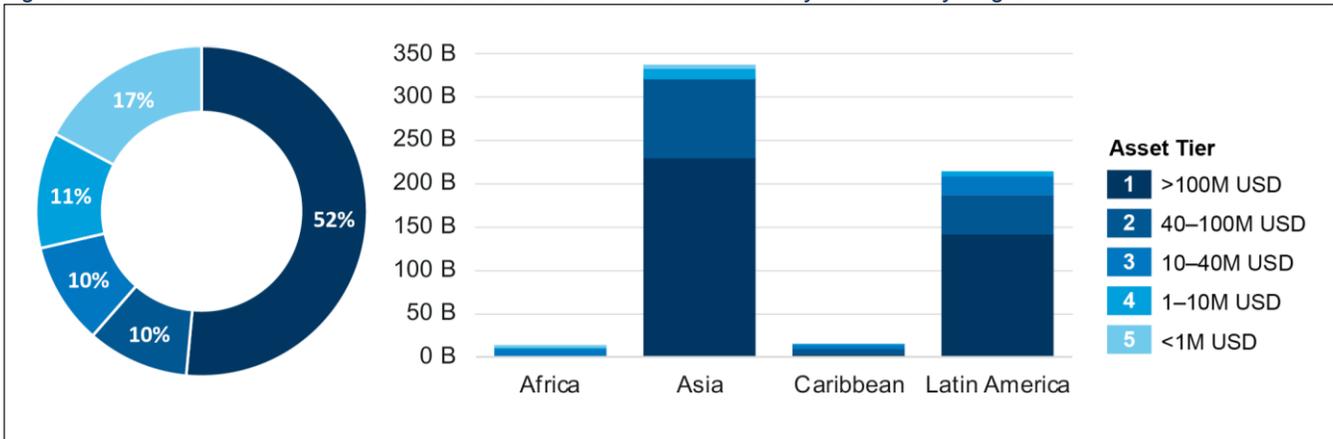
Figure 4. Number of Credit Unions Across All Focus Countries Distributed by Tiers and by Regions



Most credit unions fall within Tier 5, with assets below USD 1 million. These smaller credit unions are concentrated primarily in Africa and Asia. In contrast, Latin America has fewer credit unions overall, with a more even distribution across tiers.

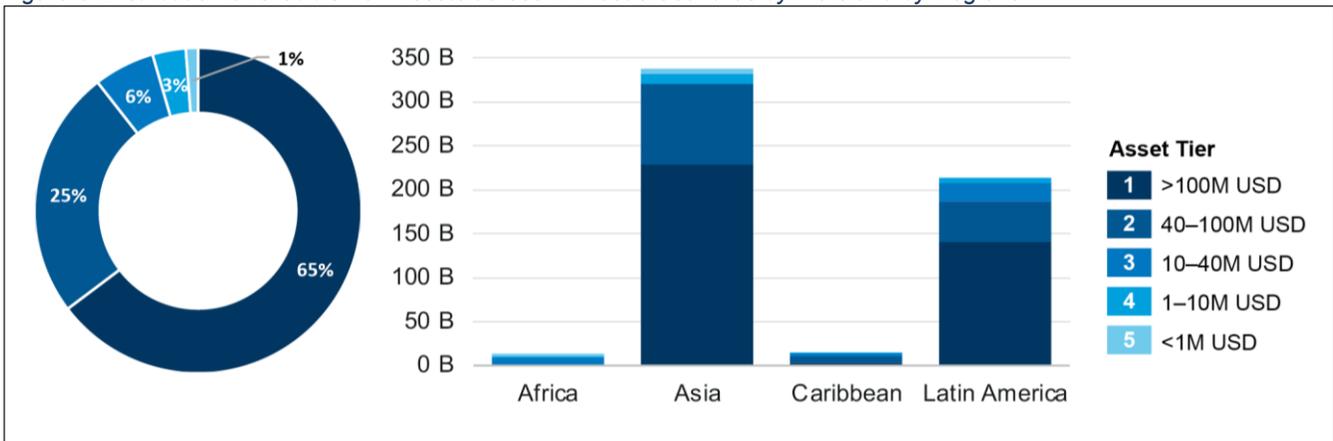
In terms of membership outreach, credit unions in Asia and Latin America have the widest reach, with the largest share of members concentrated in Tier 1 credit unions.

Figure 5. Distribution of Credit Union Members across All Focus Countries by Tiers and by Regions



Finally, distribution by asset largely mirrors the distribution by members, with a slightly higher concentration in Tiers 1 and 2.

Figure 6. Distribution of Credit Union Assets across All Focus Countries by Tiers and by Regions



4.2 Financial Performance and Stability

The survey of 186 credit unions across the Global South provides an indicative picture of the sector’s financial strength. Many surveyed credit unions demonstrate strong financial performance, positioning them well to attract investment. A defined set of indicators provides a clear view of their financial condition, including portfolio quality through nonperforming loans (NPLs) or portfolio at risk (PAR), compliance with prudential regulations, capital adequacy to support growth, and liquidity measured by the share of assets invested in loans.

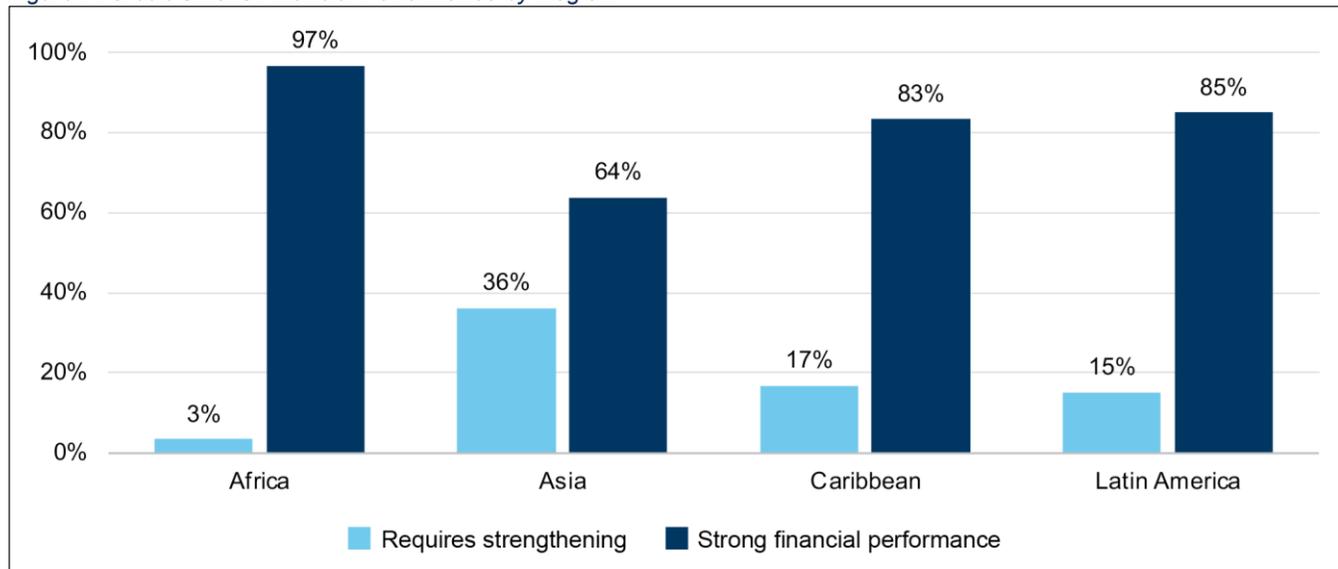
“80% of surveyed credit unions demonstrate strong financial performance”

Overall results indicate a diverse but generally healthy sector. Most credit unions, 88%, comply with prudential regulations and maintain solid capital adequacy, with over half above the recommended minimum of 10% (averaging 27% overall). NPLs remain within regulatory limits, averaging 7–8%, with about half of institutions keeping levels at or below 5%. The one area of pressure appears to be liquidity. The average loan-to-assets ratio of 73% falls within recommended limits of 70–80%, yet only 33% of respondents are within that margin, implying a potential demand among credit unions for additional liquidity.

Taken together, these figures indicate that many credit unions are financially sound and ready for investment partnerships, while some will need to strengthen portfolio quality to reach similar readiness.

Using these indicators, 80% of surveyed credit unions demonstrate strong financial performance, highlighting broad potential to attract external investment.

Figure 7. Credit Unions Financial Performance by Region



Financial performance of the surveyed credit unions appears balanced across tiers, indicating that size is not necessarily the main driver of financial performance. Regional patterns are more pronounced, with Latin America and the Caribbean showing a strong number of investment-ready credit unions, though all regions present a solid number of well-capitalized and professionally run credit unions.

In Africa, 97% of the 23 surveyed credit unions demonstrate strong financial performance, reflecting a mix of large and small institutions with solid management capacity. However, the sample is weighted toward stronger and better-capitalized credit unions. Thus, it provides useful insights into leading performers and potential pioneers of climate investment, but not a representative picture of the region's overall financial performance landscape for that region.

4.3 Digital Sophistication and Shared Services

Credit unions across regions show uneven progress in building digital infrastructure.

Latin America is leading in nearly every category. The region reports the highest adoption rates for core banking systems (91%), online and mobile banking (75% and 76%), and data systems such as databases (88%) and documentation storage (75%). These results suggest that Latin American credit unions are well-positioned to continue integration with latest innovations in digital financial ecosystems.

Survey responders in Africa and Asia follow at a mid-level of digital maturity. Credit unions in both regions who completed the digital services survey have widespread use of core banking systems (69% in Africa and 72% in Asia) and mobile banking (66% and 55%). However, adoption drops sharply for advanced tools such as digital loan origination (45% and 34%) and data analytics services (38% each). Their systems remain largely inward facing, with limited integration through application programming interfaces (APIs) or international payment networks.

Credit unions in the Caribbean show moderate digital capacity. Most institutions use core banking systems (79%) and documentation storage (71%) but have weaker adoption of mobile and data analytics tools.

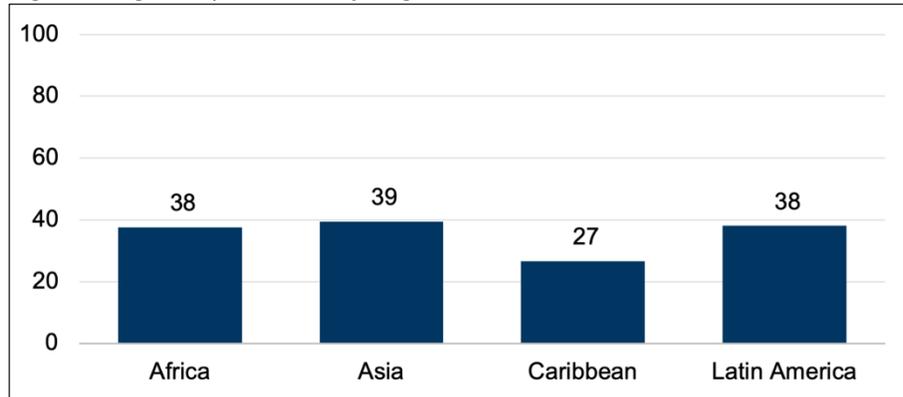
Shared digital services emerged as an important part of the technology infrastructure used by credit unions. Sixty-six percent of respondents report using at least one shared digital platform, most commonly in areas such as core, mobile, and online banking. Adoption is lower for more advanced systems, including digital loan origination, digital underwriting, and data analytics, which are each used by fewer than one in five respondents. Tools for documentation storage and database management are somewhat more common, while shared agency banking remains limited.

These results suggest that credit unions are beginning to integrate shared systems into their operations, particularly for core functions, but broader use of shared platforms could strengthen efficiency and interoperability across networks.

Overall digital sophistication was measured through a composite score (0–100) that captures the level of information technology and digital infrastructure in use across credit unions. Results show broadly similar levels of digital capability, with some regional variation. On average, scores across all regions remain below 50, indicating that **most credit unions are still in the early- to mid-stages of digital transformation.**

Across all respondents, digital underwriting is absent, and integration with global systems through APIs, SWIFT, or international wire services remains minimal. This points to a need for stronger connectivity, data analytics, and end-to-end digital processes, even among otherwise well-established credit union networks. However, the widespread adoption of core banking systems and the growing use of online, mobile, and data management tools provides a strong foundation for credit unions. As they expand digital connectivity, build more advanced and integrated platforms, and adopt digital risk assessment tools, credit unions will be well-positioned to advance global climate finance.

Figure 8. Digital Sophistication by Region



4.4 Credit Union Member Profiles

Gender

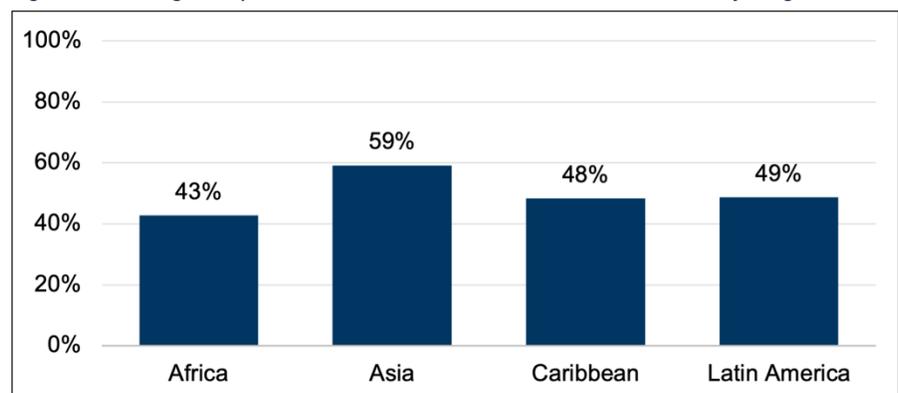
Credit unions across the globe are placing greater emphasis on gender inclusion, and the indicative results suggest steady progress. **Aggregated data reported by national associations show that membership across affiliated credit unions in the Global South is broadly balanced by gender—about 53% male and 47% female.** Borrowers display a nearly identical pattern, with roughly 53% male and 47% female participation.

Credit Unions Serving Women

Interviews with credit unions across several countries confirm that many have tailored specific loan products to women’s financial needs. For example, in Senegal, credit unions offer several products focused on women, including one special credit line for women to develop businesses such as shops, catering, and fruit juice production, and another which relaxes collateral and down payment requirements and increases loan amounts for both group and individual borrowers. Further, credit unions have specifically tailored products to vulnerable women. In the Philippines, Bukidnon Government Employees Multi-Purpose Cooperative (BUGEMCO)’s “3Ks” loan program works with unemployed women to get started in business, combining training and financing for equipment and working capital at favorable rates. In Ecuador, cooperatives provide loans to women survivors of gender-based violence and informal workers, combined with business training and financial education. In Guatemala, cooperatives implement “last mile” programs for low-income women focused on education and entrepreneurship, offering financial education and business training as part of their inclusion

The findings from the credit union survey reinforce these trends and offer additional insight into how gender inclusion varies by size and region. Most participating credit unions (82%) track their membership by gender. Their data show that women account for about half of all members, with only modest variation across regions and tiers. Asia leads with 55% women’s membership, followed by Africa at 48% and the Caribbean at 47%. Mid-size and smaller credit unions in Africa stand out for their reach, with women

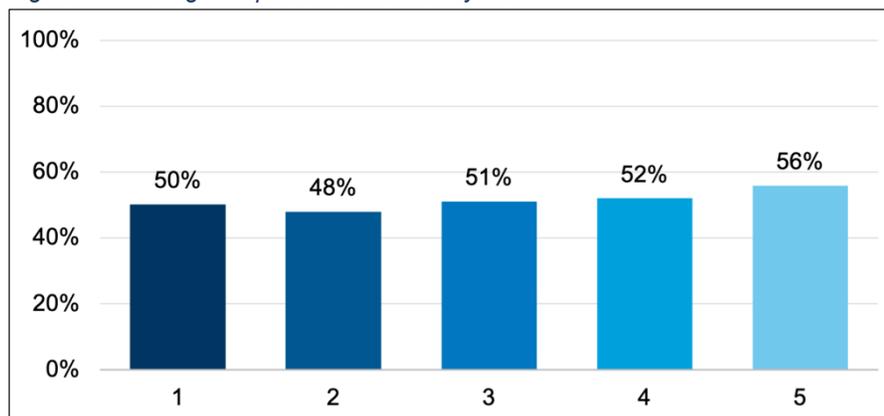
Figure 9. Average Proportion of Women Members in Credit Unions by Region



comprising 60–75% of members on average. Smaller credit unions in Asia show a similar pattern, with women representing more than 60% of members. Even in regions where overall participation is lower, women remain nearly equally represented, reflecting a strong foundation for gender balance.

In terms of borrowers, about 67% of the survey participants were able to disaggregate their borrowers by gender. The percent of female borrowers hovered close to half at 47%.

Figure 10. Average Proportion of Women by Tier



Age

The average age of credit union members in the Global South is 44, and age distribution data show that about 70% are over 35, indicating limited participation from younger adults. Borrowers show an even older profile, with 78% over the age of 35. Compared with the higher average ages reported in more mature credit union systems—typically in the late 40s to early 50s—these figures suggest that credit unions in the Global South may be reaching relatively younger members, or that membership demographics in these markets skew younger overall.

Credit Unions Reaching Youth

Credit unions recognize this challenge and are finding new and creative ways to engage the next generation—combining financial education, entrepreneurship support, and digital innovation.

In the Philippines, cooperatives affiliated with NATCCO are teaching financial literacy in schools and helping students open savings accounts, giving young people the tools and confidence to manage money from an early age.

In Kenya, Qona Savings and Credit Cooperative (SACCO) is using digital platforms and mobile services to reach young entrepreneurs, offering reduced-interest startup loans through government-linked initiatives that make finance more accessible and affordable.

In Senegal, youth-focused programs offered by UM-PAMECAS such as *Ndoorté* and E4Y provide both investment and working capital loans for young people entering agriculture and related industries, helping them turn ideas into viable livelihoods.

In Brazil, CRESOL's success in expanding digital service channels has lowered the median age of its members to just above 40, showing the power of digital transformation to attract younger generations.

Member Income Levels

To better understand who credit unions in the Global South are serving, the survey asked national associations to describe the income levels and employment profiles of their members. Only a small share of associations (17%) provided this information, offering an indicative view rather than a comprehensive picture. While most described their membership as diverse, several consistent patterns emerged. Across regions and institutional tiers, credit unions most commonly serve middle-income members, followed closely by low-income members. Informal businesses and entrepreneurs also represent a significant portion of those served. This same pattern emerged from the credit union survey consistently across the different regions and tiers.

Credit unions serve a range of demographics. Across the Global South, credit unions identify middle- and low-income individuals as their primary target groups.

Latin America and Europe also demonstrate a substantial focus on informal businesses.

Figure 11. Member Income by Region

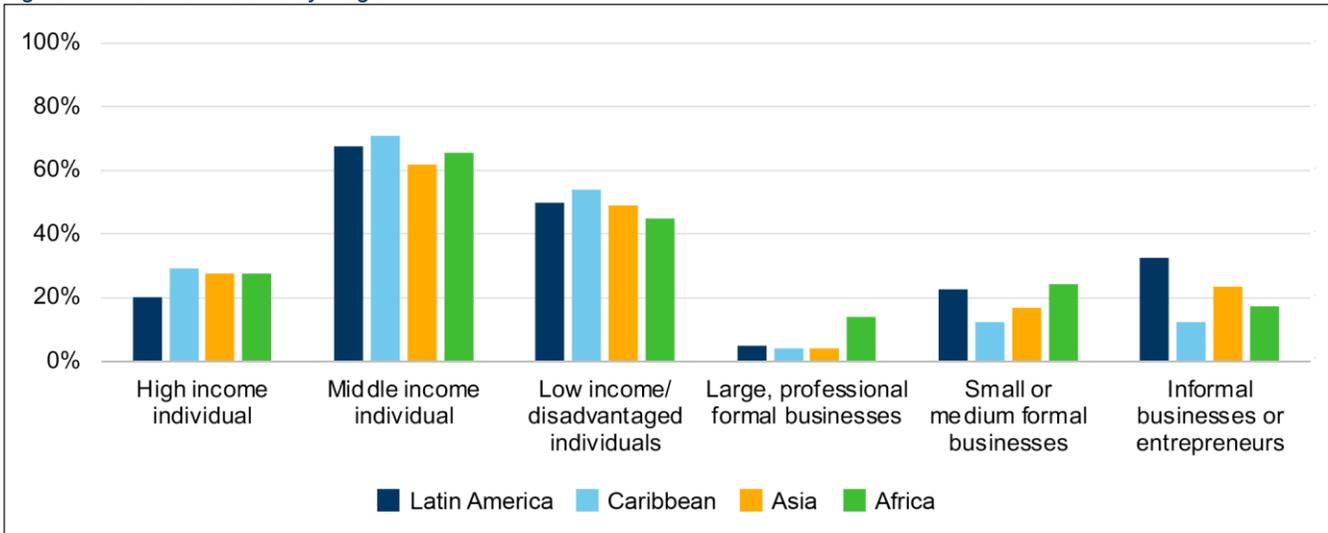
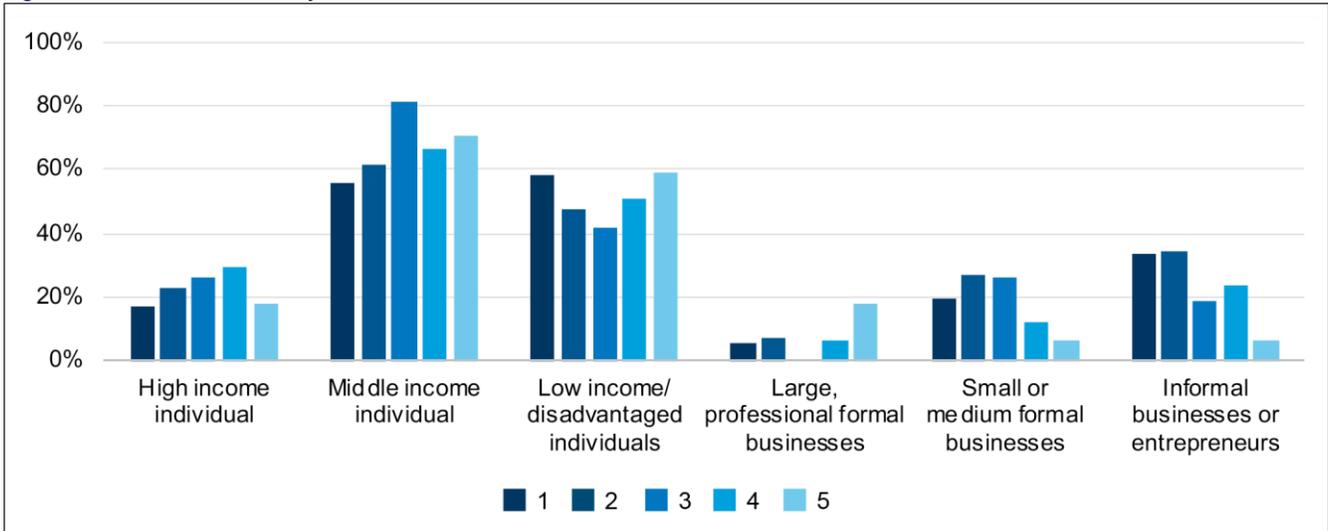


Figure 12. Member Income by Tier



Credit unions in the largest and smallest tiers tend to prioritize low-income communities, while mid-size credit unions lean more toward middle income.

Larger credit unions are relatively more likely to serve informal businesses as well as SMEs than smaller credit unions.

Credit Unions Driving Financial Inclusion

Key informant interviews confirmed that, across the Global South, credit unions are extending their reach to populations long excluded from formal finance—regardless of whether their primary focus is low-income and vulnerable groups or middle-income professionals.

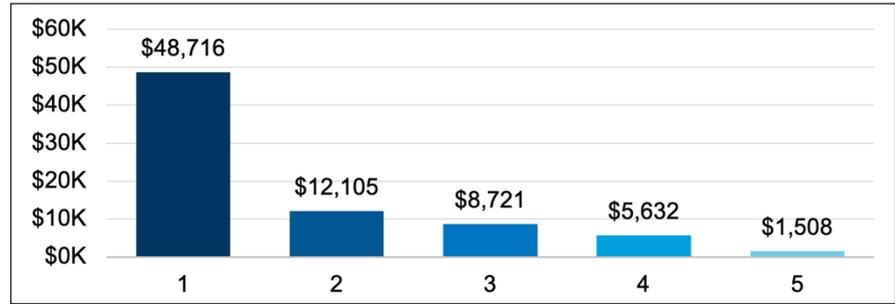
In the Philippines, Senegal, Ecuador, and Guatemala, interviewed credit unions have specific products and services to reach women, youth, smallholder farmers, informal workers, and rural or low-income households. In Kenya, credit unions like Qona SACCO target young entrepreneurs and persons with disabilities through digital and startup-focused initiatives, while in Brazil, networks like CRESOL are expanding digital channels to engage younger members. In Ecuador, some cooperatives also reach survivors of gender-based violence through microcredit and training.

Across these efforts, credit unions combine financial education, community engagement, and digital inclusion to ensure that vulnerable populations can access and benefit from cooperative financial services.

Average Loan Size

Average loan size is often used as a proxy for depth of outreach. **The median of this indicator through the credit unions surveyed is just under USD 5,000.**

Figure 13. Average Loan Size by Tier

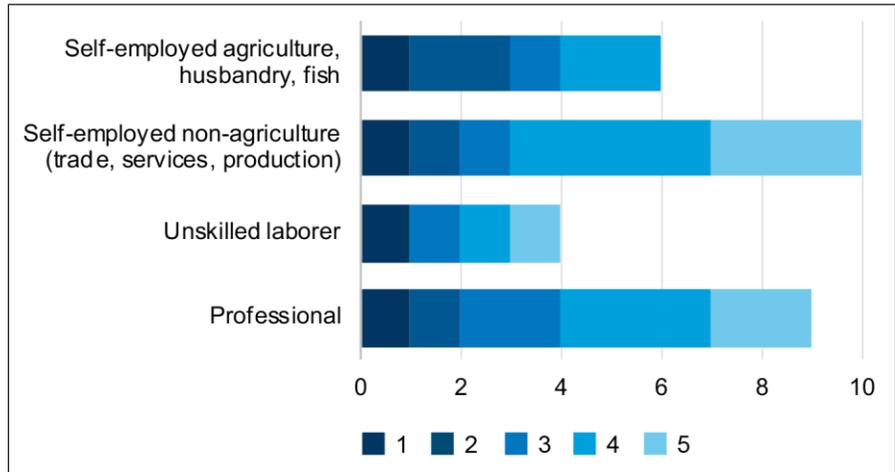


Member Employment Type

The surveyed credit union associations reported that their networks serve members engaged in a wide range of occupations.

When asked to prioritize, however, a clear pattern emerged: **the largest share of members is self-employed outside of agriculture** in sectors such as trade, services, or small-scale production. Professionals represent the next largest group, followed by members engaged in agriculture, livestock, or fisheries, followed by unskilled laborers.

Figure 14. Employment trends in credit union membership reported by credit union associations



This overall pattern is closely mirrored in the responses from individual credit unions, where the larger sample provides a clearer view of how member employment varies by region and by the size of the credit union.

Across the surveyed credit unions, employment patterns among members are diverse, with no single occupation type prevailing across all tiers. Larger credit unions display a more balanced mix of employment types, drawing members from professional, commercial, and agricultural activities.

Figure 15. Employment trends in credit union membership reported by surveyed credit unions

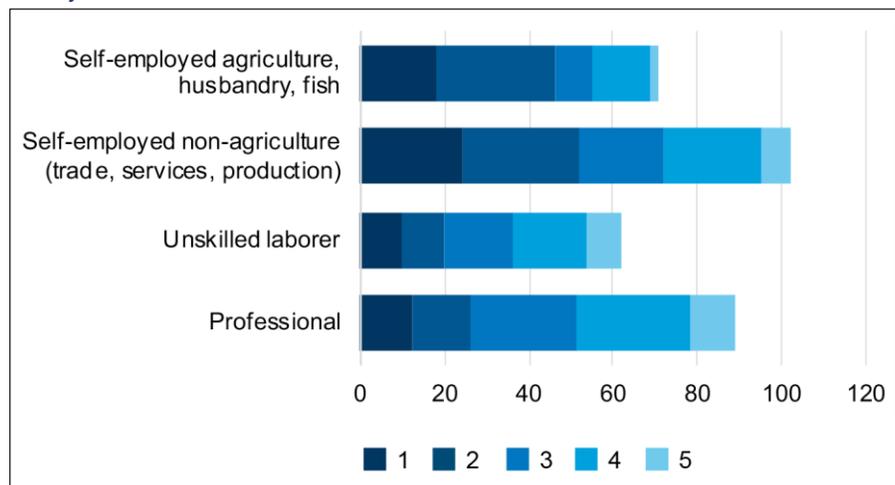
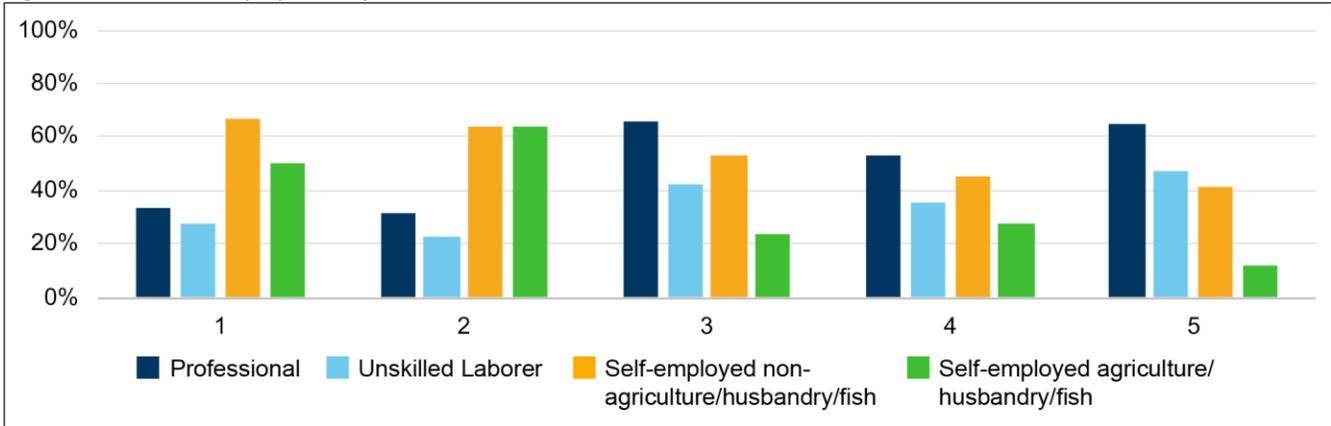
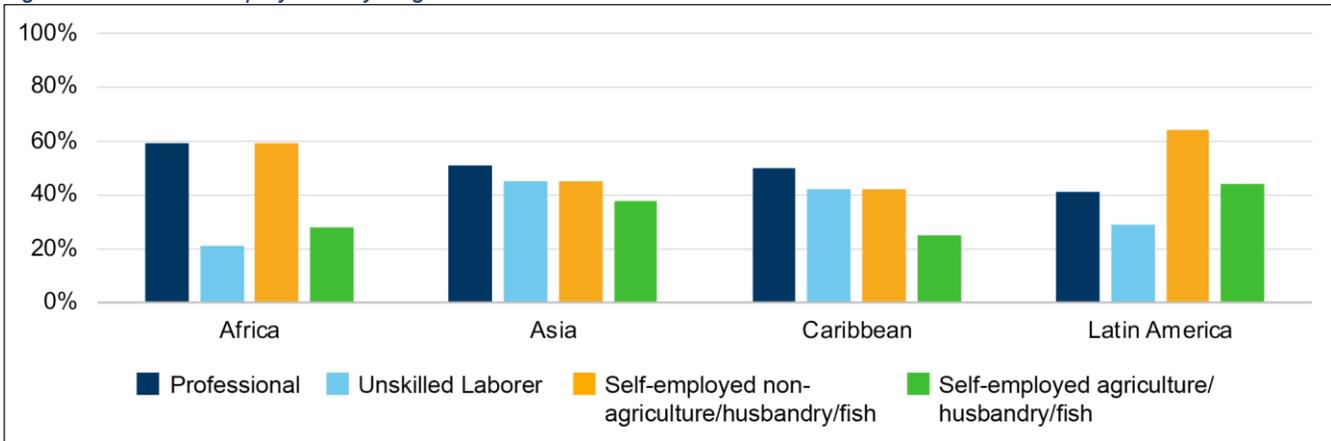


Figure 16. Member Employment by Tier



Smaller credit unions tend to show greater concentration in specific occupations, likely reflecting the common bond that defines their membership, such as individuals working within the same sector or profession. Among those that participated in the survey, professionals make up the largest group, though the limited representation of Tier 5 credit unions makes it difficult to draw firm conclusions on the membership composition of the smallest credit unions.

Figure 17. Member Employment by Region



Regional patterns vary widely. Professional members are an important group across all regions, while self-employed members outside agriculture are most common in Africa and Latin America, whereas Asia and the Caribbean display a more balanced mix of employment types.

4.5 Leadership and Governance Profiles

The data provide an indicative snapshot of gender of leadership and governance within the credit union movements across the Global South. Responses were received from 76 national credit union associations, of which only 31 (41%) reported at least one data point related to diversity and inclusion. The results therefore reflect indicative patterns rather than comprehensive or representative findings.

Responses on leadership show a persistent gender imbalance at both credit union and association levels. At the credit union level, women represent about 14% of CEOs and one-quarter of board members. Progress is being made in the tracking of this data, as a substantial portion of associations (45%) report tracking gender composition on the boards of their affiliated credit unions, underscoring evolution in data systems. At the national and regional association level, women hold around 19% of CEO positions and 25% of board seats.

While partial, these results provide an early view of inclusion dynamics in the Global South—suggesting growing gender balance among members and borrowers. As collection of gender-disaggregated data improves, it could enable more targeted action to close gaps in leadership diversity and youth participation.

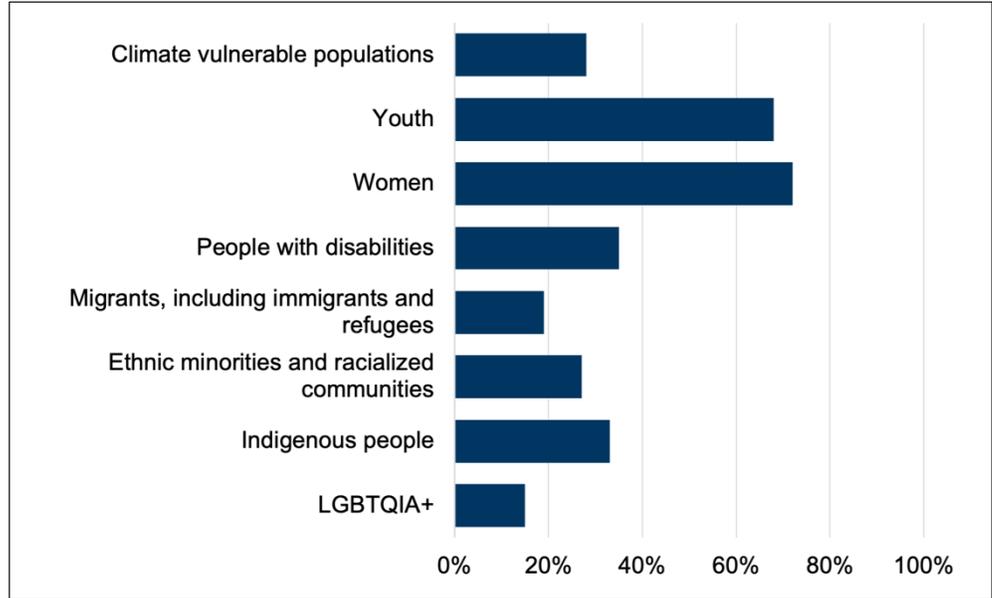
5.0 Current Practices in Climate and Inclusive Finance

5.1 Impact Investment Activities

A commitment to economic justice and inclusion continues to define the credit union movement globally and stands out clearly in the Global South.

Most associations (87%) report that credit unions in their networks intentionally serve at least one vulnerable or underserved group. Women and youth are by far the most frequently prioritized, cited by 80% of respondents. Other groups include people with disabilities, Indigenous peoples, ethnic minorities, migrants, and people of diverse sexual orientations and gender identities.

Figure 18. Vulnerable Groups Served by Credit Unions (Association survey)



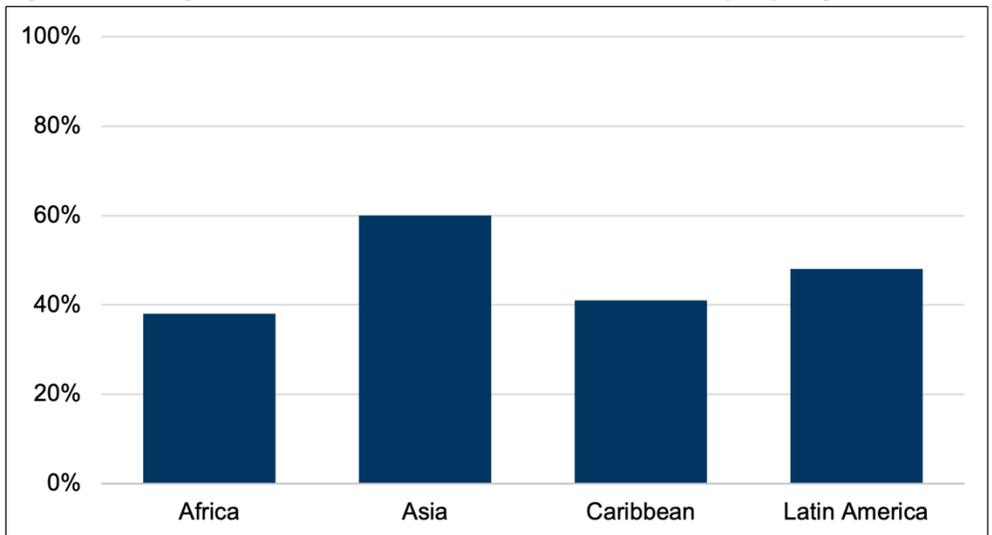
The credit union survey reveals a strikingly similar pattern, with 91% of respondents indicating that they offer specific services to at least one of these groups, reflecting the exact same prioritization as the association. Within this broader commitment, about 42% of credit unions report that their primary focus is on communities with limited access to formal finance, such as low-income households, informal enterprises, and small agricultural producers. Among credit unions with this primary focus, the highest concentration was reported in Asia, followed by Latin America, the Caribbean, and Africa. Larger credit unions indicated a relatively stronger tendency to primarily target these vulnerable and underserved groups.

The share of credit union loan portfolios dedicated to vulnerable and underserved groups was estimated by combining the total loan portfolio of credit unions that primarily serve these groups with the value of loans extended to these groups by other credit unions through specialized products or services, expressed as a percentage of total reported loan volumes.

Based on this estimation, 49% of the loan portfolio of responding credit unions is directed to vulnerable groups in line with the social goals of the credit unions.

Across regions, Asia records the highest share, followed by Latin America, while Africa and the Caribbean demonstrate lower but still substantial levels of investment in these groups.

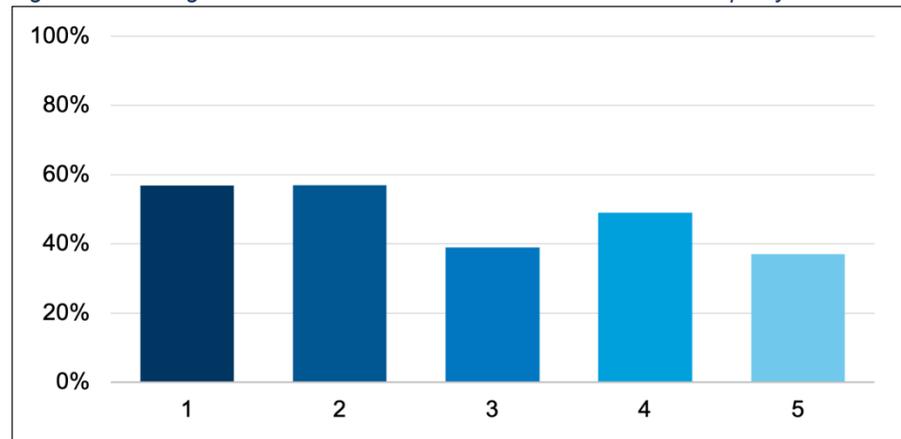
Figure 19. Average Portion of Portfolios Invested in Vulnerable Groups by Region



A more pronounced pattern emerges by size: larger credit unions direct over half of their portfolios to vulnerable groups, while mid-size and smaller institutions allocate between roughly one-third and one-half.

These findings highlight the ability of credit unions to reach populations often excluded from formal finance, suggesting their established presence and community trust could make them effective channels for directing climate and impact finance to vulnerable groups most affected by social and environmental challenges.

Figure 20. Average Portion of Portfolios Invested in Vulnerable Groups by Tier



5.2 Climate Finance Products and Services

Credit unions are beginning to integrate climate considerations into their lending activities, directing a small but measurable share of their portfolios toward products that support adaptation, resilience, and low-carbon investments. **Approximately 18% of surveyed credit unions report offering climate loan products.**

Credit Unions Advancing Climate Lending

Interviews reveal a diverse range of climate loan products, most commonly designed to finance renewable energy, sustainable agriculture, and eco-friendly household improvements.

Credit unions, such as the Jamaica Police Co-operative Credit Union (JPCCU), integrate solar energy systems for homes and small businesses into their home improvement loans, helping members lower electricity costs and reduce reliance on fossil fuels.

In Senegal, some credit unions in the UM-PAMECAS and the *Union des Institutions Mutualistes Communautaires d'Epargne et de Cr dit* (U-IMCEC) networks are piloting loans for solar-powered irrigation systems under national programs such as SOLIR, which aim to increase agricultural productivity year-round and reduce dependence on rainfall. These efforts are supported by agreements with renewable energy partners targeting farmers in several rural regions.

In Guatemala, climate finance has taken multiple forms. Some credit unions within the *Federaci n Nacional de Cooperativas de Ahorro y Cr dito de Guatemala* (FENACOAC)'s network are offering water eco-filters and improved stove loans to reduce household emissions and fuel costs, alongside home improvement loans and planned green mortgage and solar water heater products. One credit union has launched an agriculture–reforestation loan pilot, where farmers receive tree seedlings with their loans and earn a reduced interest rate when they successfully plant and maintain them—an initiative that has already led to the planting of 1.6 million trees and measurable environmental benefits. In Brazil, the System of Rural Credit Cooperatives with Solidarity-based Interaction (CRESOL) has built a substantial portfolio focused on renewable energy and sustainable agriculture, with plans to expand further.

There is no clear relationship between credit union size and the likelihood of offering climate finance products, though patterns vary by region.

- In Africa and Asia, climate finance activity is led by mid-sized and smaller credit unions rather than the largest ones. About one-third of Tier 4 institutions in both regions report offering climate loan products, compared with 29% in Tier 2 and none in Tier 1.
- In the Caribbean, climate finance activity is narrow and more concentrated mainly in the middle tiers. Roughly one-third of Tier 3 and Tier 4 institutions report climate-related products, while both the largest and smallest credit unions show little to no participation.

Figure 21. Percent of Portfolio Invested in Climate by Region

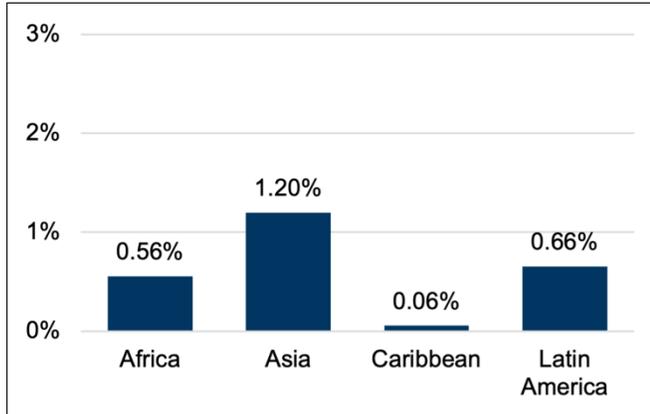
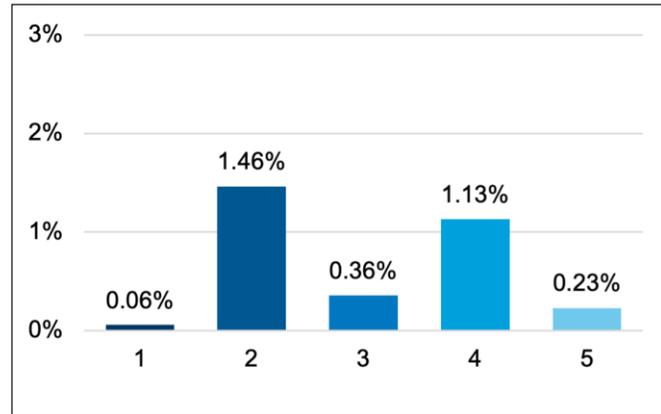


Figure 22. Percent of Portfolio Invested in Climate by Tier



Latin America stands out for having climate finance products across every tier, including the smallest credit unions. The highest share is found in Tier 5 (33%), indicating that even the smallest institutions are developing products linked to climate objectives.

Overall, while participation levels differ, climate finance appears most common among mid-tier credit unions in Africa, Asia, and the Caribbean, and more evenly distributed across all sizes in Latin America.

Across regions and institutional tiers, the survey indicates that climate-related lending remains at an early stage. Although still representing a small share of total outstanding loans, climate finance appears to be a clear and growing area of engagement. The figures above show some early variations among regions and size of credit unions, in terms of volumes invested as a percentage of their loan portfolios.

Interviews suggest that **the size of the climate loan portfolio across credit unions is likely understated**. Many institutions have begun financing climate-related activities, such as renewable energy, sustainable agriculture, and environmental restoration. However, **few formally track or tag these loans as “green” or “climate finance.”** For example, in Jamaica, several credit unions finance solar installations and climate adaptation efforts but do not classify them as climate loans in their reporting systems. In Ecuador, one cooperative offers credit for bio-entrepreneurships through its *Semilla* product, with plans to formally recognize it as a green loan. In Guatemala, agricultural lending already supports climate adaptation through guarantees for green loans and pilots in water and soil management, though these are not recorded under a separate climate portfolio. Similarly, in Brazil, CRESOL is developing a taxonomy with support from the Inter-American Development Bank to better identify and measure its green portfolio, noting that existing management systems do not yet capture these activities. These examples indicate that the actual scale of credit unions’ contribution to climate finance is larger than current data show, but remains hidden by the absence of consistent definitions, tagging, and reporting practices.

While levels of investment remain modest and underreported, participation is broad, with credit unions of different sizes and regions starting to channel resources into activities that help their members and communities respond to climate change.

5.3 Non-Financial Services

Credit unions are extending their impact beyond finance. Many are using training, education, and community outreach to empower members and strengthen local economies. These **non-financial services have become an essential part of how cooperatives reach vulnerable and underserved groups, particularly youth, women, and rural families.**

Training and Partnerships to Empower Youth

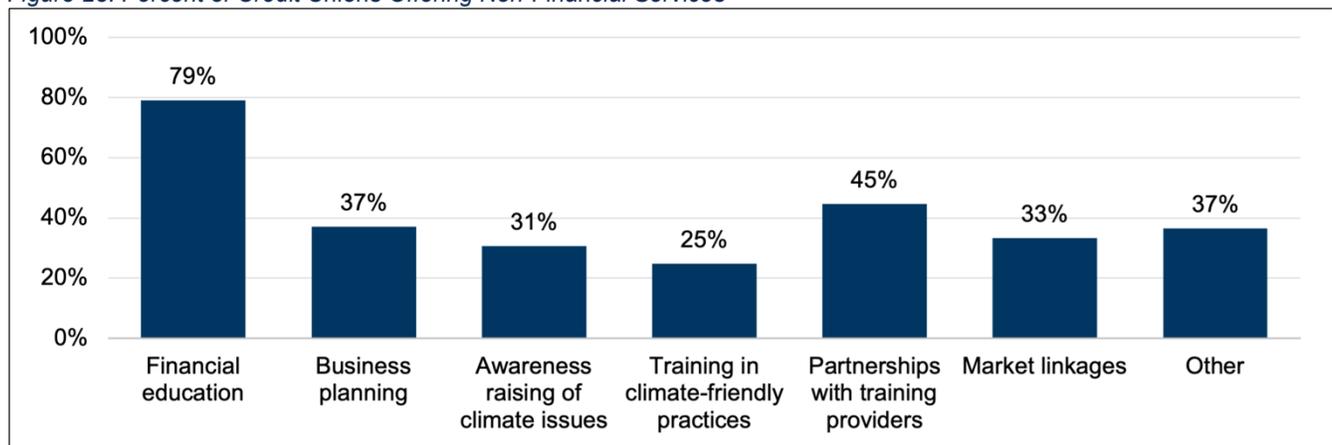
Interviews reveal that for youth, credit unions are building awareness, confidence, and opportunity. In Jamaica, the *NextGen* campaign connects with young people through schools, social media, and community events, helping them understand cooperative values and see credit unions as a pathway to building wealth. In the Philippines, partnerships with the Department of Education and Aflatoon train teachers and establish “laboratory cooperatives” in schools, introducing financial literacy and savings habits from an early age. In Senegal and Guatemala, youth savings and entrepreneurship programs are expanding access to finance, while in Brazil, one credit union association encourages young people to stay in agriculture by pairing entrepreneurship training with access to rural finance.

Empowering Women through Credit Unions

For women, credit unions combine education and empowerment. In the Philippines, cooperatives such as BUGMECO run pre-membership seminars and small business training for women farmers, teaching bookkeeping and enterprise management. In Senegal, the Network of Women Partners of U-IMCEC launched an online trading platform for women to market and sell their products. In Ecuador, programs focus on women heads of household, providing training in financial management, business planning, and cooperative governance. In Brazil, CRESOL integrates women's empowerment and financial education into its broader social inclusion strategy, helping women formalize their participation in family farming and leadership roles.

Survey results underline this, indicating that a large majority of credit unions are extending their impact beyond lending. Eighty-seven percent of surveyed institutions provide non-financial services to their members, often combining several types of activities. The most common are financial education programs and partnerships with local training providers, followed by initiatives that raise awareness of climate issues. Other examples include social and community development efforts such as cash assistance for typhoon victims and the operation of community mail services, reflecting the diverse ways credit unions support the well-being and resilience of their members.

Figure 23. Percent of Credit Unions Offering Non-Financial Services



Looking across different institutional profiles, **financial education is by far the most widespread offering**, with substantial participation across all regions, especially in Latin America, where nearly every tier is involved, and in Asia, where mid-sized institutions are particularly active. Credit unions also partner with training providers such as schools and education ministries to deliver financial literacy. They collaborate with universities and research centers for entrepreneurship and environmental training. Working with government agencies enables credit unions to deliver cooperative and gender-focused capacity building, while partnering with international organizations allows them to provide financial education and business development support. Other common services include business planning support and market linkages, each strongly characteristic of credit unions in Latin America and Asia. Services tied directly to climate action, such as training in climate-friendly practices and awareness-raising of climate issues, are present in every region though are still less common overall, reflecting a new area of activity for most credit unions.

The following regional patterns are distinct:

- Latin America stands out for both the breadth and depth of participation, with consistently high counts across nearly all service types and tiers. Financial institutions there appear to integrate community education, entrepreneurship, and climate-related initiatives as part of a holistic development model.
- Asia also shows strong activity, particularly among Tier 3 and Tier 4 credit unions, which lead in climate awareness raising and partnerships.
- Africa's participation is balanced across service types but at a smaller scale, suggesting early but growing institutional engagement in member training and climate topics.
- The Caribbean reports modest numbers, focused mainly on financial education and partnerships.

Across all regions, mid-sized credit unions (Tiers 2–4) play the most active role in offering non-financial services. These institutions are often large enough to have dedicated staff for training and partnerships, but still closely connected to their

members' needs. The largest institutions (Tier 1) participate in most categories but in smaller numbers while smaller credit unions (Tier 5) tend to concentrate on practical community-level activities, such as financial education and climate awareness rather than complex partnerships or business support.

Overall, the survey reinforces that non-financial services are an integral and expanding part of credit union operations, helping strengthen both member engagement and community impact. While priorities differ by region, a clear pattern emerges: Latin America and Asia stand out in both scope and participation, and mid-sized credit unions are the most active providers. With a membership base that is roughly 50% women, these programs have proven especially effective in reaching and empowering female members—demonstrating how education, training, and outreach can extend the cooperative mission beyond finance.

5.4 Climate-Focused Non-Financial Services

Climate awareness activities are now a visible feature of cooperative outreach, reported by about one-third of surveyed credit unions. These activities span a range of interventions. For example, in Kenya, members engage in tree planting as part of cooperative-led sustainability drives.

In Asia, around 40% of credit unions—mostly mid-sized institutions—are driving these initiatives, representing three-quarters of all activity in the region. Latin America follows with 26%, led by larger Tier 1 and Tier 2 credit unions that integrate climate education into their member training and outreach programs. In Africa, about 31% of credit unions are active, with engagement spread across all tiers, while in the Caribbean, one in four institutions—mainly small and mid-sized—conducts awareness programs. Taken together, mid-sized credit unions account for nearly 60% of all climate awareness initiatives, reflecting their close ties to communities and their ability to mobilize members around shared environmental goals.

Training activities designed to help members adopt climate-smart practices were reported by 46 credit unions (25% of respondents). Examples include education programs teaching environmental responsibility in Jamaica; training programs strengthening the environmental risk management capacity of rural microenterprises and farming families in Ecuador and Brazil; and training climate-smart agricultural practices in Senegal.

Mid-sized credit unions (Tiers 2–4) account for about two-thirds of surveyed credit unions engaged in climate-related training programs. Regional participation varies in Latin America, 25% of institutions—mainly larger Tier 1–2 credit unions—offer training linked to loan and agricultural programs. In Asia, 32% report similar activities, led primarily by mid-sized institutions that integrate training into financial inclusion initiatives. In Africa, 31% of credit unions provide climate-related training across all tiers, while in the Caribbean, 8% report such efforts.

Figure 24. Number of Credit Unions Raising Awareness on Climate Issues by Tier

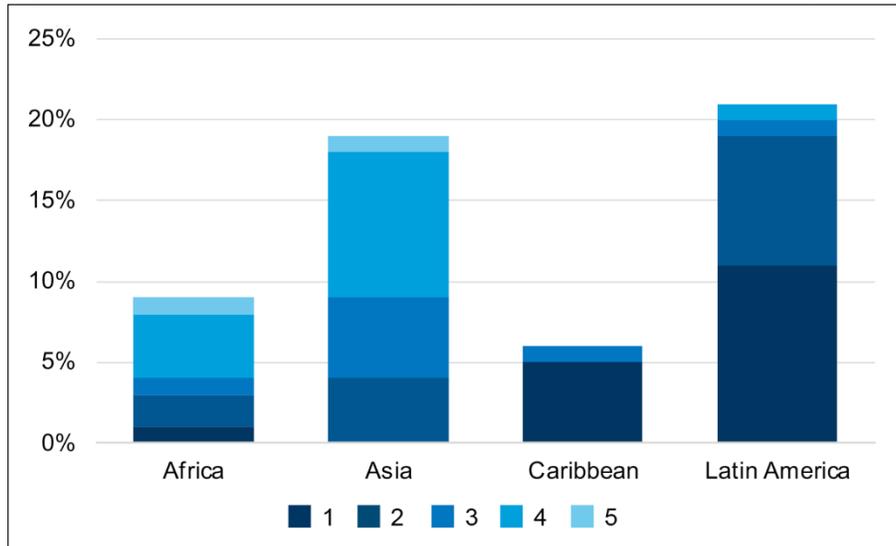
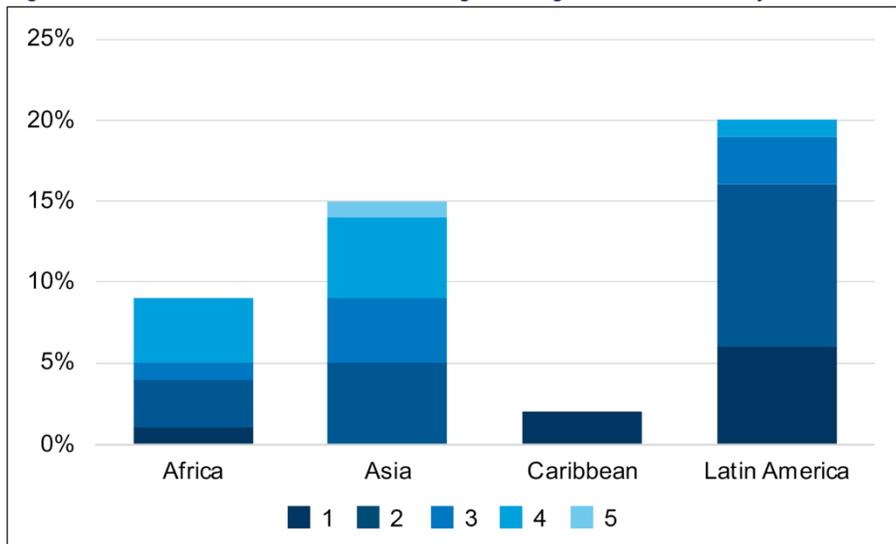


Figure 25. Percent of Credit Unions Offering Training in Climate Friendly Practices



When seen together, these findings indicate that about one in three credit unions provides climate-awareness activities, and one in four offers practical training. These results point to an encouraging shift: as climate-focused non-financial services emerge, they are becoming an identifiable component of the credit union model, linking local member engagement to global sustainability goals.

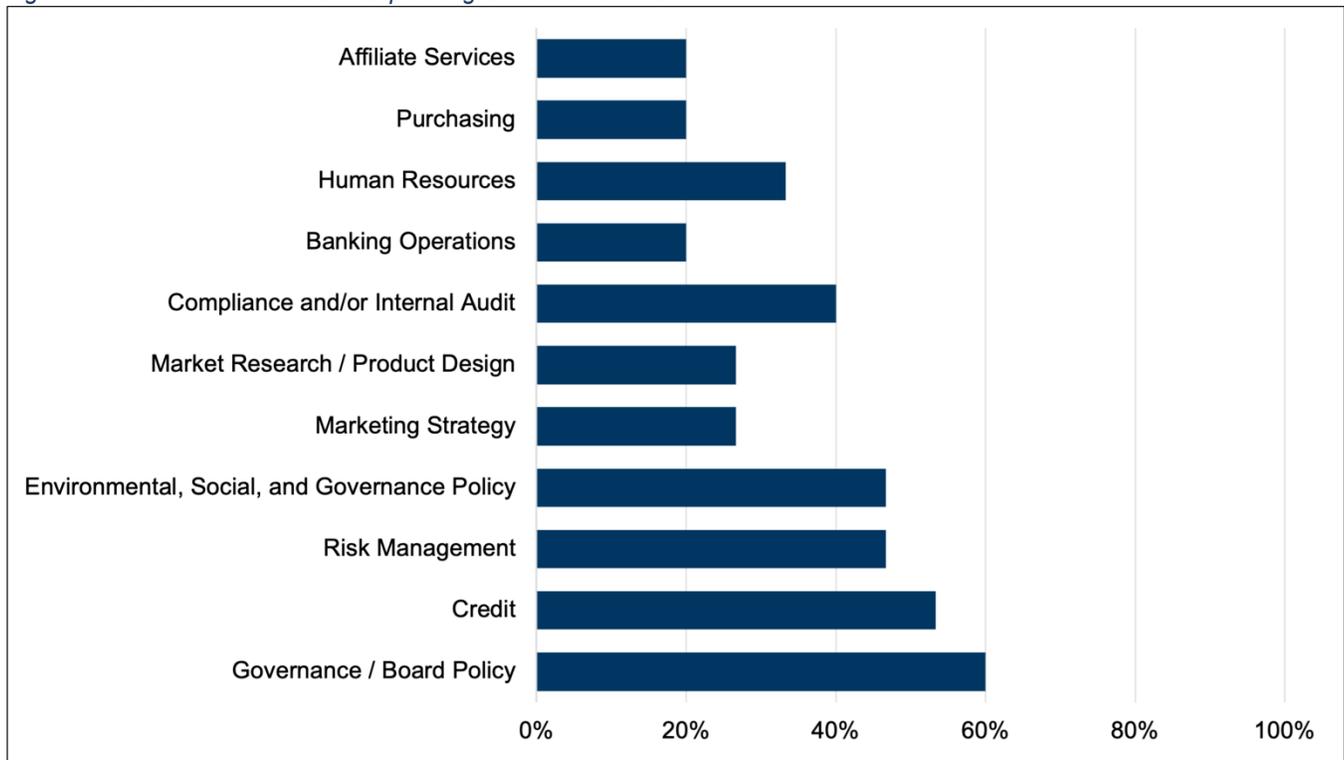
5.5 Institutional Steps Toward Integration of Climate

As awareness of climate and social responsibility grows, credit union associations are beginning to translate these priorities into institutional practice. Credit union associations that have participated in the survey report clear steps toward integrating climate, diversity, equity, inclusion, and justice into their institutional strategies and policies.

Over half have established social and environmental goals, while roughly 20%-40% have adopted environmental, social, and governance (ESG) policies and structures, or sustainability reporting practices.

These goals are already reflected across a range of internal association policies, as illustrated in Figure 26.

Figure 26. Association Policies Incorporating Climate and DEI/J



Alongside these policy actions, further measures reflect a gradual move toward global sustainability frameworks. More than half of the responding associations report aligning their policies with the UN Sustainable Development Goals (SDGs), while adherence to other international frameworks such as IRIS+ and the Global Reporting Initiative (GRI) remains limited. Some associations have also adopted voluntary reporting practices, with about one-fifth undergoing external risk ratings and others indicating alignment with CERISE/Social Performance Task Force (SPTF) standards, signaling early efforts to integrate climate and social inclusion considerations into broader governance and reporting systems.

Climate-specific reporting follows a similar pattern. The Partnership for Carbon Accounting Financials (PCAF), which provides a methodology to measure financed emissions in loan and investment portfolios, was included in the survey, but most associations could not confirm whether their member institutions are adopting it. One notable exception is Brazil, where Sicredi — a national cooperative financial system — is a PCAF signatory and has publicly disclosed its financed-emissions data on the PCAF reporting platform, demonstrating early leadership in climate transparency within the cooperative finance sector¹⁹.

Credit unions also indicate that they have begun laying the institutional groundwork for climate and social investment. The *Climate Finance Readiness Heat Map* summarizes the steps that surveyed credit unions have taken with regards to climate risk and climate investment.

Figure 27. Climate Finance Readiness Heat Map

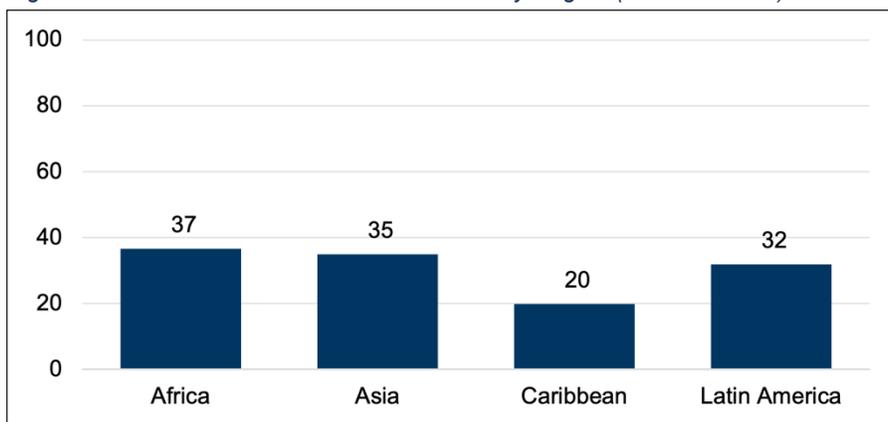
	Africa	Asia	Caribbean	Latin America	Total
Social goals	69%	79%	21%	80%	70%
Environmental goals	55%	70%	21%	55%	54%
Documented social and/or environmental strategy	41%	66%	25%	59%	53%
Sustainability or social impact report	48%	66%	21%	51%	49%
Governance structure responsible for social and/or environmental strategy	62%	74%	38%	65%	62%
Environment, Social and Governance risk management policy covering internal risks (i.e. risks to organization's business)	62%	60%	50%	59%	58%
International Sustainability Standards Board (ISSB) framework ²⁰	24%	28%	8%	15%	18%
Task Force on Climate-Related Financial Disclosures (TCFD)	10%	23%	8%	11%	13%
EU Corporate Sustainability Reporting Directive (CSRD)	7%	21%	8%	14%	13%
Voluntary sustainability reporting (not tied to a specific framework)	10%	40%	17%	23%	24%
External social and environmental risk rating	21%	32%	8%	24%	24%

The most common readiness steps among credit unions involve setting social and environmental goals, assigning governance structures, and adopting internal policies to manage environmental and social risks. These measures form the foundation of climate finance readiness and show that credit unions are beginning to move from informal intent to structured oversight and policy.

Around half of the respondents report producing a sustainability or social impact report (49%) and maintaining a documented social or environmental strategy (53%), further indicating that credit unions are beginning to formalize and report their commitments. However, external disclosure and alignment with global reporting frameworks remains new and relatively uncommon. Only 18% of credit unions reference the International Sustainability Standards Board (ISSB) framework, 13% follow the Task Force on Climate-Related Financial Disclosures (TCFD), and a similar 13% apply the EU Corporate Sustainability Reporting Directive (CSRD). Voluntary reporting outside these frameworks (24%) and external environmental or social risk ratings (24%) is still limited. About half of respondents report producing sustainability or social impact reports and maintaining documented strategies, while roughly a quarter undertake voluntary reporting and external environmental and social risk ratings. This indicates a gradual **shift toward more formalized commitments and reporting practices**, even as external disclosure and alignment with global reporting frameworks, however, remains limited. The data suggest that most credit unions are still in the early stages of transparency and external accountability with regards to climate.

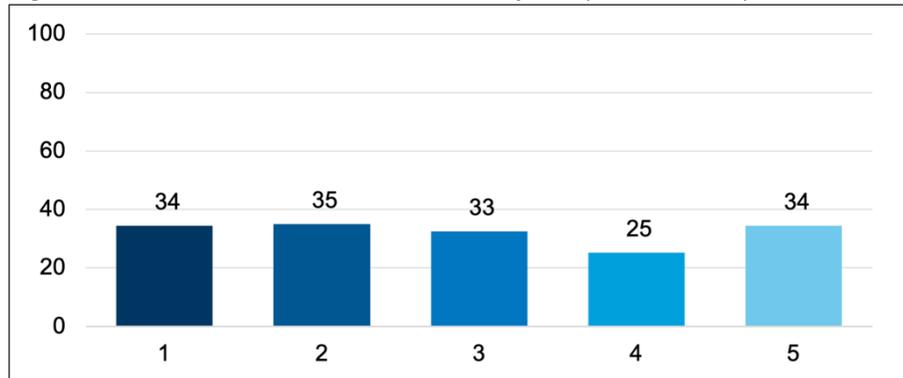
Regional patterns vary, with Asia showing the broadest implementation of internal strategies and documentation, leading in environmental goal setting, governance assignment, and sustainability reporting, though global framework adoption remains low. Latin America mirrors this profile, with strong goal-setting and governance but less consistent reporting. The Caribbean remains in the early stages. Africa's relatively small sample is skewed toward more advanced credit unions, which may partly explain the relatively strong adoption of governance and policy measures. Nonetheless, the participating African credit unions show that leading institutions in the region have made solid progress in social goal setting, governance, and internal ESG risk management, even as overall regional progress remains difficult to gauge.

Using the survey data, a climate finance readiness composite score

Figure 28. Climate Finance Readiness Scores by Region (Scale of 0-100)


was designed to compare the level of institutional preparedness of survey credit unions to offer climate finance. The score is calculated on a scale from 0 to 100, combines multiple institutional indicators such as goal setting, governance, reporting, and risk management. The results reveal similar levels of readiness among respondents from Africa, Asia, and Latin America, while scores are somewhat lower in the Caribbean and Europe.

Figure 29. Climate Finance Readiness Scores by Tier (Scale of 0-100)



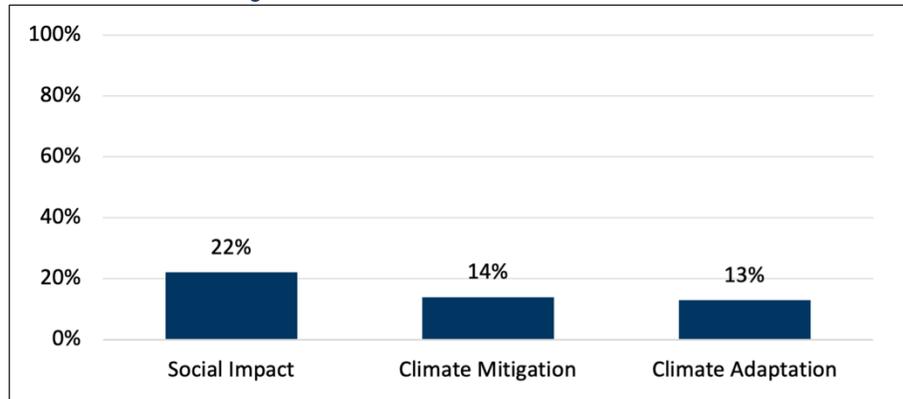
There are no significant differences by asset size, indicating that larger credit unions are not necessarily more advanced in their preparedness for climate finance than smaller ones. Overall, however, average scores across all regions and tiers remain below 40, underscoring that while many institutions have taken initial steps, climate finance readiness across the global credit union network is still solidifying.

The data indicate that credit unions are well into the institutional preparation phase of climate finance readiness. **Most have set internal goals, assigned oversight, and developed ESG risk policies—solid foundations for future investment.** However, external reporting and adherence to global standards remain nascent, adopted by fewer than one in five surveyed credit unions. Asia, Africa, and Latin America demonstrate growing momentum and practical readiness to expand climate and social investment once consistent frameworks and financing mechanisms become more widely accessible.

5.6 Interest in Future Engagement

Beyond the 62% of credit unions that currently offer financing dedicated to inclusive, social or climate-friendly products, there are many that would like to do so in the future, with 25% of survey respondents indicating an interest in developing such products.

Figure 30. Interest in Introducing Climate and Inclusive Finance among Credit Unions without Current Offerings



Interviews with credit unions and their associations across Africa, Asia, Latin America and the Caribbean underscore the **urgency of climate and social inclusion to meet their members' daily realities**: farmers losing crops to droughts or floods, women struggling to access capital, and youth seeking livelihood opportunities in rural communities. They emphasized that climate and inclusion are not separate agendas but two sides of the same mission—to safeguard the well-being and resilience of their members.

Most acknowledge that they are only beginning to understand how to measure climate impact or classify climate finance within their portfolios. Their plans focus on building internal systems—developing climate loan taxonomies (as in Brazil), formalizing social and environmental management systems (Ecuador, Senegal), and aligning institutional reporting with global standards such as the SDGs. Several, including those in the Philippines and Kenya, aim to introduce dedicated green loan products, expand weather-risk insurance, and strengthen compliance with evolving environmental and safety regulations.

A clear goal is to integrate climate resilience directly into member services. Credit unions in Senegal, Kenya, and Guatemala plan to finance (or expand financing of) solar-powered irrigation, clean energy solutions, and water or soil management systems that increase productivity while protecting natural resources. Others, such as in Jamaica and the Philippines, want to extend their solar and reforestation initiatives into larger-scale community programs and link them to accessible, long-term credit lines. Most are also actively exploring how to reach youth more systematically—through targeted financial education, entrepreneurship training, and digital channels—while ensuring that these efforts are paired with financial products designed around their needs.

6.0 Drivers of Climate and Inclusion Investment

The present survey provides an indication that, beyond their traditional cooperative and social missions, credit unions are beginning to recognize climate risk as integral to their long-term stability and member well-being. Increasingly, they are expressing interest in and committing resources to climate-related initiatives—both to manage the risks that climate change poses to their members and operations, and to capture new opportunities in climate and sustainable finance.

Table 2. Climate Initiatives to Date

54%	Have Established some climate related goals
58%	Have documented and approved an ESG policy
18%	Offering climate finance
13%	Have adopted at least one global climate disclosure framework
14%	Indicate an interest in introducing climate finance
40%	Indicate a need for capacity building to comply with climate regulations

This section explores some of the key drivers for investing in climate and inclusion.

6.1 Perceived Risks and Strategic Priorities

Among the 76 national credit union associations surveyed in the Global South, only one-quarter completed the section on major risks and priorities. The findings therefore provide an indicative snapshot rather than a comprehensive view of sector trends.

Associations most frequently identified credit and regulatory issues among their top risks, followed by macroeconomic conditions, capital adequacy, and governance. Technology also featured prominently, reflecting its growing role in operations. Personnel, liquidity, and crime were cited by several associations, while sustainability and climate appeared less often but were included among the top five risks for some respondents—showing that environmental and climate considerations are beginning to enter risk discussions.

When reporting their top priorities, associations in the Global South most often selected regulatory reform, digital transformation, and financial inclusion, followed by member and asset growth, youth relevance, and institutional capacity building. Climate increasingly intersects with these priorities, as regulations are beginning to incorporate climate considerations, digital tools for climate risk management are gaining traction and financial inclusion requires directing more resources to communities most affected by climate risks. Diversity, equity, and inclusion, as well as sustainability and climate offerings, also specifically featured among reported priorities. Although fewer associations highlighted these areas, their presence indicates early efforts to integrate social inclusion and climate considerations into national and regional strategies, alongside more traditional priorities.

Figure 31. Key Risks Identified by Credit Union Associations

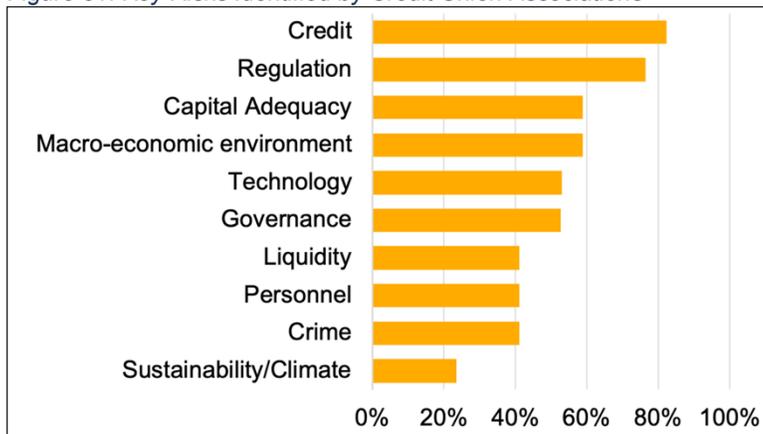
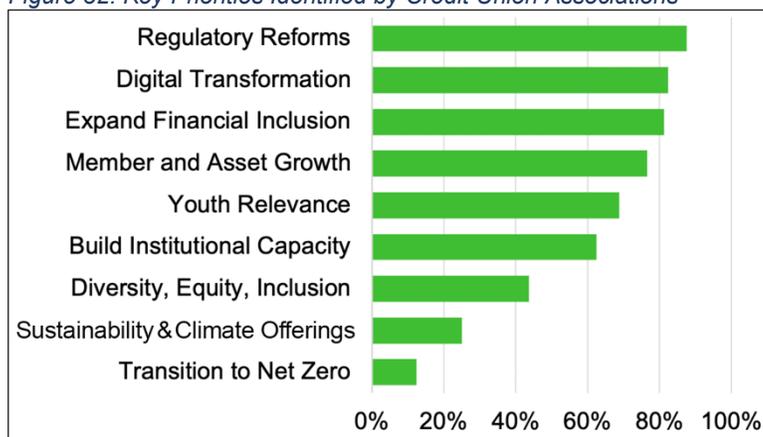


Figure 32. Key Priorities Identified by Credit Union Associations



Interviews largely confirm the priorities shown in Figure 32—regulatory reform, digital transformation, financial inclusion, and institutional strengthening—remain central themes across countries. However, nearly all surveyed credit unions reported that climate action, sustainability, or ESG integration now feature explicitly in their current strategic plans and are being operationalized through new policies, loan products, or environmental risk systems. This indicates that commitments to sustainability and climate resilience are likely more widespread in practice than the association survey alone suggests, reflecting a sector that is already moving beyond awareness toward concrete implementation.

6.2 Regulatory Context and Policy Environment

The survey indicates that some form of climate regulations is in place credit unions in many reporting countries. While the level of current government regulations varies significantly by country, many credit unions report they have some level of climate regulations. For example, in the Philippines, credit unions are subject to initial Environment, Safety, and Health regulations that mandate safe workplace conditions, waste management, and disaster preparedness. In Ecuador, regulators require cooperatives to implement Environmental and Social Risk Management Systems (ESRMS/SARAS) to assess and mitigate risks in lending, particularly in agriculture and microfinance. Guatemala has introduced environmental responsibility certifications for financial institutions, while Kenya and Senegal are beginning to integrate ESG principles into supervisory guidance for the cooperative sector. Brazil has moved further, requiring credit unions to identify, manage, and disclose climate-related risks—including both transition and physical risks—within their risk governance, strategy, and reporting frameworks. The country is also developing a national climate-finance taxonomy to support consistent classification and disclosure.

Across all survey respondents, just over half (52%) reported that some form of climate regulation already applies to their credit union. Regional patterns show a relatively even spread. Responses varied to some degree by region (49% in Latin America to 57% in Asia.) Most of those that report emerging climate regulations indicated that they are able to comply, with only 16% indicating that they are out of compliance.

Among the credit unions reporting some level of existing climate regulation, credit unions in Latin America and the Caribbean stand out, with 92% of in each region stating that are meeting requirements. Asia and Africa report lower levels of compliance, but still over 50%. However, it is important to note that most of these regulatory frameworks are still in early stages, emphasizing policy adoption and basic reporting rather than measurable climate action. As such, many credit unions may be considered compliant even if their direct engagement in climate finance or risk management remains limited.

Survey results appear to indicate that larger credit unions are both more likely to be regulated and more prepared to comply. Among the largest (Tier 1, with assets over USD 100 million) 61% indicate some level of regulation, and nearly all compliance with that regulation. Tier 2 credit unions show a similar pattern, with half regulated and 91% in compliance. Smaller credit unions are less likely (less than 50%) to face climate regulations and compliance varies among the bottom three tiers.

Across the focus regions, the pattern of exposure and compliance reflects different levels of climate regulation. In Asia, climate regulation reaches credit unions of nearly every size, with compliance rates consistently above 70%. In Latin America, regulation is concentrated among the larger credit unions, where compliance exceeds 90%. Africa shows the widest variation. The Caribbean shows limited regulatory exposure overall. Only a small number of credit unions reported being subject to regulation (with no correlation to size), and those few institutions indicated high compliance levels.

It is likely that this **trend in climate regulation (even if nascent) is one of the drivers of credit unions' interest in climate finance.**

6.3 Enabling Infrastructure and Shared Platforms

Shared services are organizational structures that allow credit unions within a network to pool key financial and operational functions such as liquidity management, technology, and risk oversight. By centralizing these capabilities, credit union networks can improve efficiency and achieve greater consistency across member institutions. One of the most established forms of shared service is the central finance facility, which allows credit unions to deposit excess liquidity and borrow wholesale funds through a shared treasury.

Use of Central Finance Facilities

The Central Finance Facility of the Jamaica Co-operative Credit Union League (JCCUL) mobilizes funds from member credit unions and redistributes liquidity across the system. The Cooperative Financial Intermediary System operated by the National Confederation of Cooperatives (NATCCO) in the Philippines provides inter-lending, shared liquidity management, and settlement services for cooperatives. In Brazil, credit union systems such as Sicredi, SICOOB and CRESOL provide network-level treasury and risk-management support through confederated structures and/or investment banks, connecting local cooperatives with central-level financial services.

In several Global South countries, shared services are also supporting digital transformation. Some credit union federations and confederations have developed shared digital platforms that offer payment services, mobile banking, and management information systems to their member institutions.

Shared Technology Services in Credit Union Systems

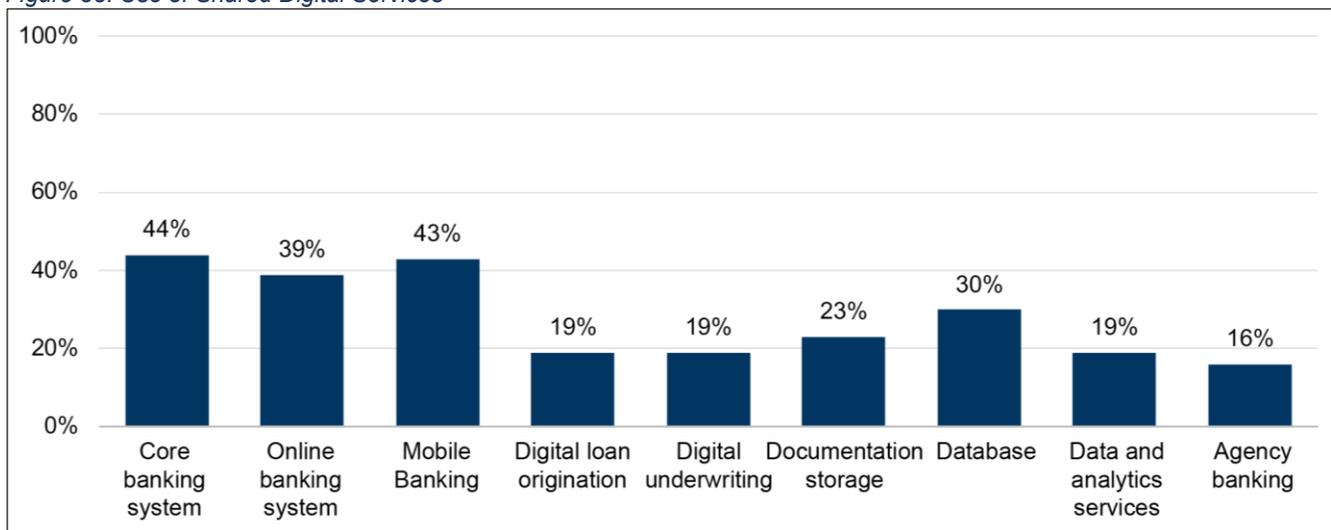
Sicredi in Brazil operates a single digital platform that serves over one hundred cooperatives and provides centralized infrastructure for online banking, cards, and digital lending.²¹ In Senegal, UM-PAMECAS maintains a unified management information system that connects its network of savings and credit cooperatives.²² Ecuador’s CONNECTA platform links more than 300 credit unions through a shared ATM and payment network,²³ while FEDECACES in El Salvador offers online and mobile banking through the COOPRED system.²⁴

These shared arrangements allow participating credit unions to expand access to modern financial services and operate more efficiently in increasingly digital and regulated markets.

To explore how shared services might support inclusion and climate investment, the survey examined the extent to which credit unions participate in shared financial and digital systems. Among respondents, 48% have access to a shared finance facility, which enables them to place liquidity or obtain funding through a central mechanism, while 66% reported using some form of shared digital service.

Shared digital services take several forms. The most common are core banking, mobile banking, and online banking, followed by database management and document storage. More specialized tools such as digital loan origination, digital underwriting, data analytics, and agency banking are used less widely. Overall, the data suggest that while shared digital infrastructure is relatively common, the level of sophistication varies considerably across systems.

Figure 33. Use of Shared Digital Services



Credit unions using shared digital systems were more active in lending to vulnerable or underserved groups, and those using more advanced systems reported a higher share of social impact loans. While the analysis found no clear relationship between shared digital services and climate-focused lending, these shared platforms could promote climate-focused finance as they have for inclusive finance for vulnerable communities.

“shared systems can serve as catalysts to deepen financial inclusion and lay the groundwork for future

However, interviews indicate that shared systems can serve as catalysts to deepen financial inclusion and lay the groundwork for future climate and social investment. In Jamaica, shared digital services are being upgraded to help credit unions attract and serve younger members, strengthening inclusion among underrepresented age groups. In the Philippines, NATCCO’s shared fintech platform is being scaled across its network to expand access to digital payments and will also serve as a channel for climate-linked lending through its Climate Finance Facility. In Senegal, shared data and auditing systems used by both

national associations are helping cooperatives strengthen governance and track outreach to women and youth, providing a base for future ESG reporting. Ecuador’s Coonecta platform is integrating environmental and social objectives into its digitalization strategy. In Guatemala, the federation’s planned cooperative digital ecosystem—linking payments, mobile apps, and AI tools—is explicitly designed to reach low-income and rural populations. These systems indicate potential enablers of inclusion and sustainability across credit union networks.

6.4 Community Focus

Interviews with credit unions and associations explored the main factors driving engagement in inclusive and climate finance. While respondents recognized the role of regulations—both existing and anticipated—and the value of shared infrastructure in enabling these activities, they more frequently pointed to their cooperative mandate as the primary motivation. For most, **supporting members and their communities remains the central reason for developing financial products that address social and environmental needs.**

Across interviews, credit unions and associations described their community-based mission as the foundation for environmental and social initiatives. In Jamaica, the credit union movement has played a long-standing role in helping members strengthen their homes against hurricanes. This has now evolved toward helping communities build their resilience to climate change. Examples include financing improved roofing, promoting solar installations to offset rising energy costs, and supporting cold-storage facilities for farmers affected by heat stress.

“Climate change is everywhere. Most of our members are affected,”
—BUGMECO, Philippines

Credit unions in Kenya such as Stima SACCO and Qona SACCO view sustainability as an extension of their cooperative purpose. They emphasized that members’ livelihoods—particularly in agriculture—depend on environmental stability.

“We face critical agricultural defaults due to the effects of climate change. Our young members are full of entrepreneurial ideas but face increasing risks from drought and flooding.”
—Senegal

In Latin America, the cooperative mission continues to shape a broader approach to sustainability. Ecuadorian and Guatemalan cooperatives spoke of aligning their work with the Sustainable Development Goals and ensuring that cooperative surpluses generate tangible community benefits. In Brazil, this link between climate and the communities that credit unions serve is an integral part of their work.

Across regions, these perspectives underscore that, for many credit unions, engagement in social and climate action is not simply a strategic choice—it is an expression of their identity and the cooperative principles that guide their work.

“We have always helped members be resilient—first against hurricanes, now against heat and high power costs.”
—JPCCU, Jamaica

In the Philippines, where natural disasters are frequent, climate action is seen as inseparable from member well-being. One credit union emphasized the importance of tackling climate change through its new climate-related loan products and awareness seminars that help members adapt their livelihoods.

“If we don’t do anything, our members will still be affected. We cannot act without thinking about how our members are growing and producing.”
—Stima SACCO, Kenya

Senegalese networks similarly linked their strategies to rising environmental and socioeconomic pressures, from droughts and floods to coastal erosion and youth unemployment. As one association explained,

In both countries, integrating climate adaptation into cooperative planning has become essential to both financial stability and community resilience.

“We don’t really have a choice about social and climate issues—we are part of the community. ...if a cooperative doesn’t do this, it can’t be called a cooperative.”
—CRESOL, Brazil

7.0 Future Pathways for Climate and Inclusive Finance

Looking forward, to assess whether credit unions could serve as effective channels for climate and impact finance in low- and middle-income economies, it is essential to understand their demand for external capital. A key question is whether credit unions are actively seeking funding beyond their own deposits and internal reserves to expand their lending for social or climate-related purposes. This section examines what types of funding credit unions are seeking and compares that demand with their current readiness to borrow from global climate and impact investors. The analysis provides insight into extent to which they can bridge the between global climate funds and the communities they seek to reach.

7.1 Future Plans and Funding Interests

Among the credit unions surveyed, **74% reported interest in obtaining external funding.**

Across all respondents, the leading funding priorities are growth capital, social impact financing,²⁵ and climate financing, followed by working capital. Demand for gender-focused financing also exists to a lesser degree.

Regional results show clear differences in emphasis.

- In Africa, where the sample was skewed toward larger institutions, several have experience with global financing. This region reports that their highest demand is for growth capital (66%), climate financing (62%), and social impact financing (59%).
- In Asia, demand is more evenly distributed, with most categories between 19% and 30%.
- In Latin America, growth capital (51%) and social impact and working capital (41% each) are the main areas of interest, with moderate demand for climate financing (38%).
- The Caribbean shows generally low percentages across all categories, indicating a low interest in capital relative to other regions.

Differences by size are most visible in Africa and Latin America. Larger credit unions (Tiers 1–2) in these regions tend to prioritize growth capital and, to a lesser extent, climate financing, while smaller institutions (Tiers 3–5) report stronger needs for working capital and social impact financing. In Asia, patterns are more balanced across tiers, and in the Caribbean, all active tiers emphasize working and growth capital. Overall, growth and climate-related capital dominate funding priorities, but smaller institutions show stronger demand for short-term liquidity and socially oriented funding.

The below figures demonstrate the differences in demand for climate finance (Figure 34) and social impact financing (Figure 35) by region and tiers. With the exception of the largest credit unions, there is a general interest in climate finance from Africa. In Latin America and Asia, the demand is strongest among larger credit unions.

For social impact financing (including gender financing), Africa shows a strong demand across all tiers, while Latin America and Asia show that larger credit unions are seeking funding. Demand in the Caribbean is lower.

Figure 34. Interested in Climate Financing

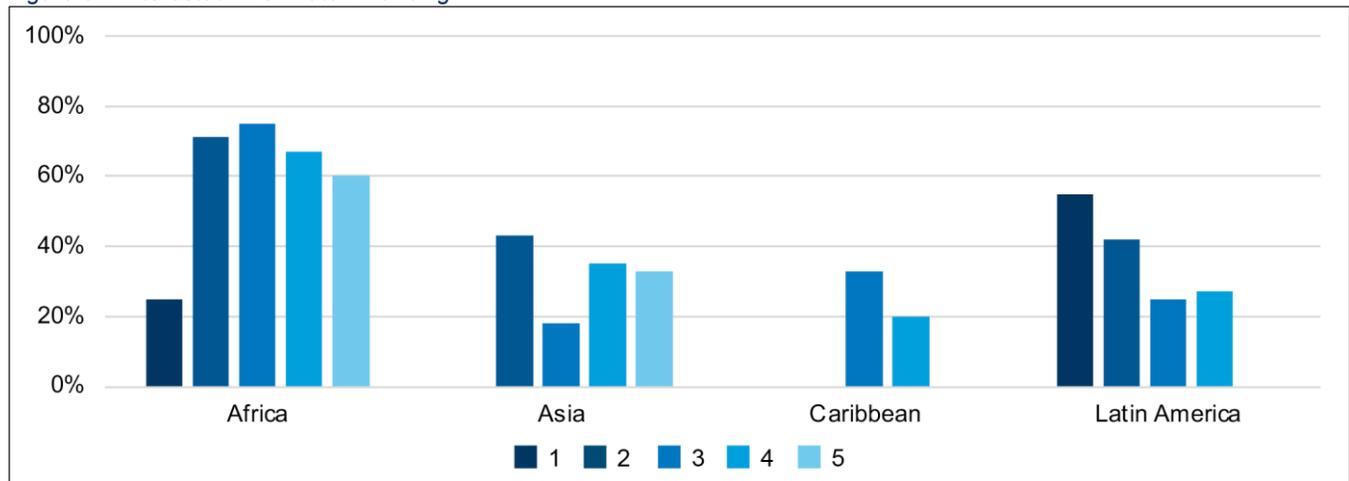
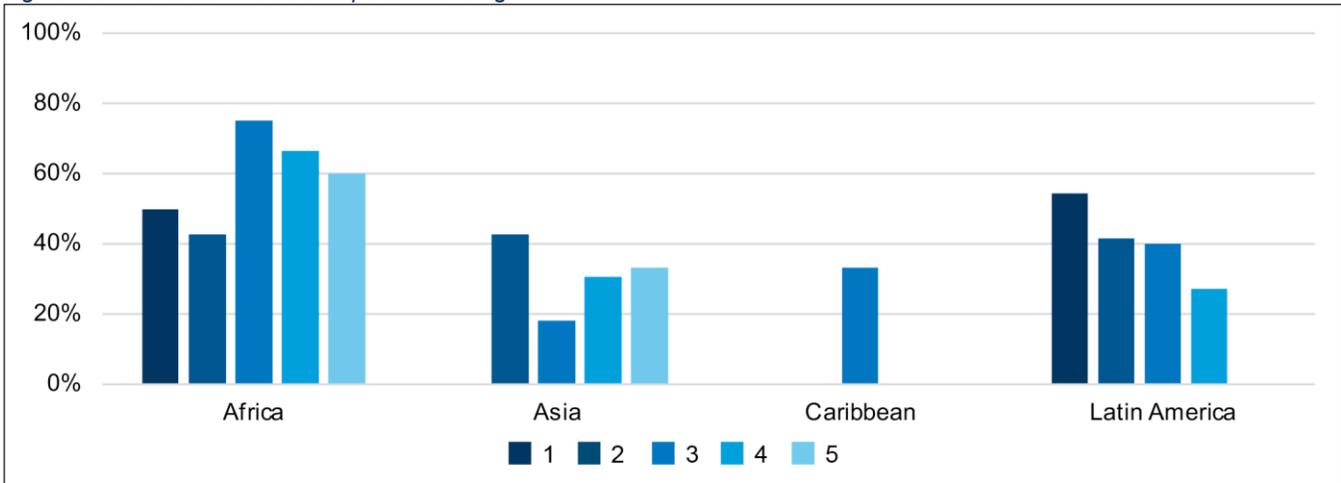


Figure 35. Interested in Social Impact Financing



Interviews confirm that several credit unions are exploring funding partnerships to expand housing, renewable energy, or enterprise lending and pilot social or climate-focused products that require longer loan terms than member deposits can sustain. Larger credit unions such as BUEMGCO in the Philippines and Stima SACCO in Kenya emphasized the need for long-term financing to support solar, housing, and e-mobility loans, while cooperatives in Ecuador and Brazil highlighted the value of concessional or risk-sharing funds that would enable innovation without increasing exposure to balance sheet risk. The decision to pursue external finance depends on several key considerations: cost, tenor, currency risk, and the administrative complexity of accessing facilities. For many interviewees, technical assistance and capacity building are essential complements, particularly where new climate or impact products are being introduced.

Some cooperatives, notably in the Caribbean and parts of Asia, reported limited need for external capital, citing strong liquidity and the ability to meet member demand internally. Others described regulatory or procedural barriers that make borrowing time-consuming and costly, as in Ecuador, where approvals through public second-tier institutions can be slow and expensive.

“Central finance facilities could serve as an effective channel for extending external financing to smaller institutions”

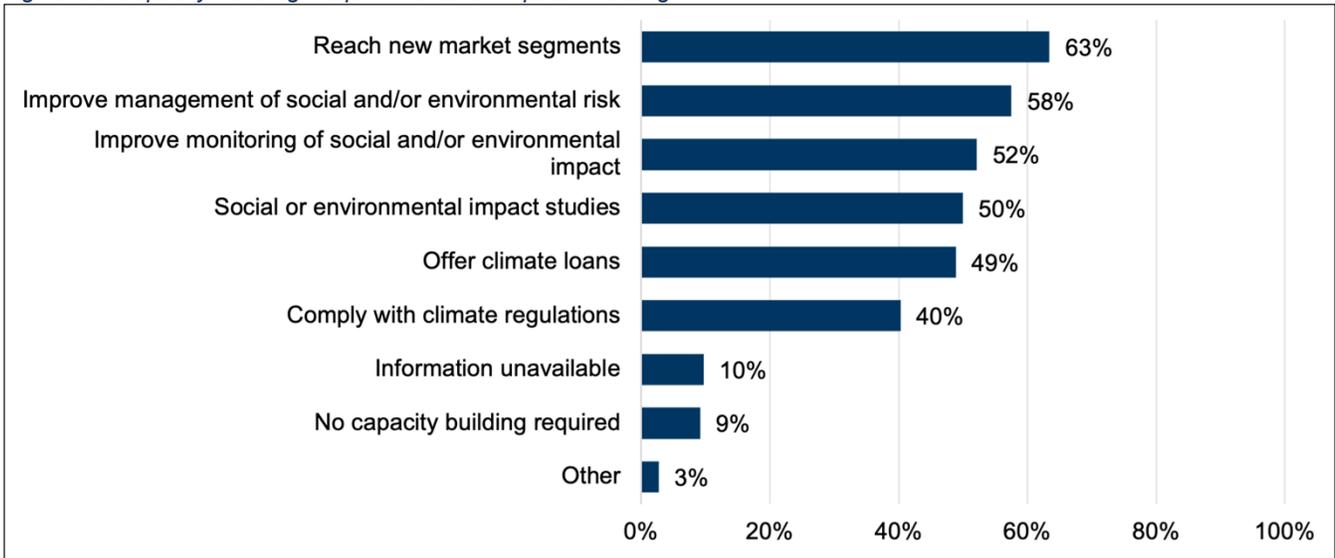
Central finance facilities (CFFs) serve as an important channel for credit unions to access liquidity, and in some countries, they have played a role in linking to external funding. Differing regulations as well as the structure of credit union systems is an important consideration in terms of whether these CFFs would be an alternative for financing credit unions with global impact funds. In the Philippines, Senegal, and Brazil, all interviewed credit unions (large and small) would only consider financing through their associations’ central finance facilities. In Ecuador, Guatemala, and Jamaica, credit unions take a more flexible approach, borrowing either directly or through second-tier mechanisms depending on cost,

procedures, and available terms. Only Stima SACCO, a Tier 1 credit union in Kenya, expressed a clear preference for direct borrowing due to potential cost implications of going through a CFF. Credit unions and their associations generally agree that CFFs could serve as an effective channel for extending external financing to smaller institutions, provided that pricing and conditions are favorable.

7.2 Capacity Building Priorities

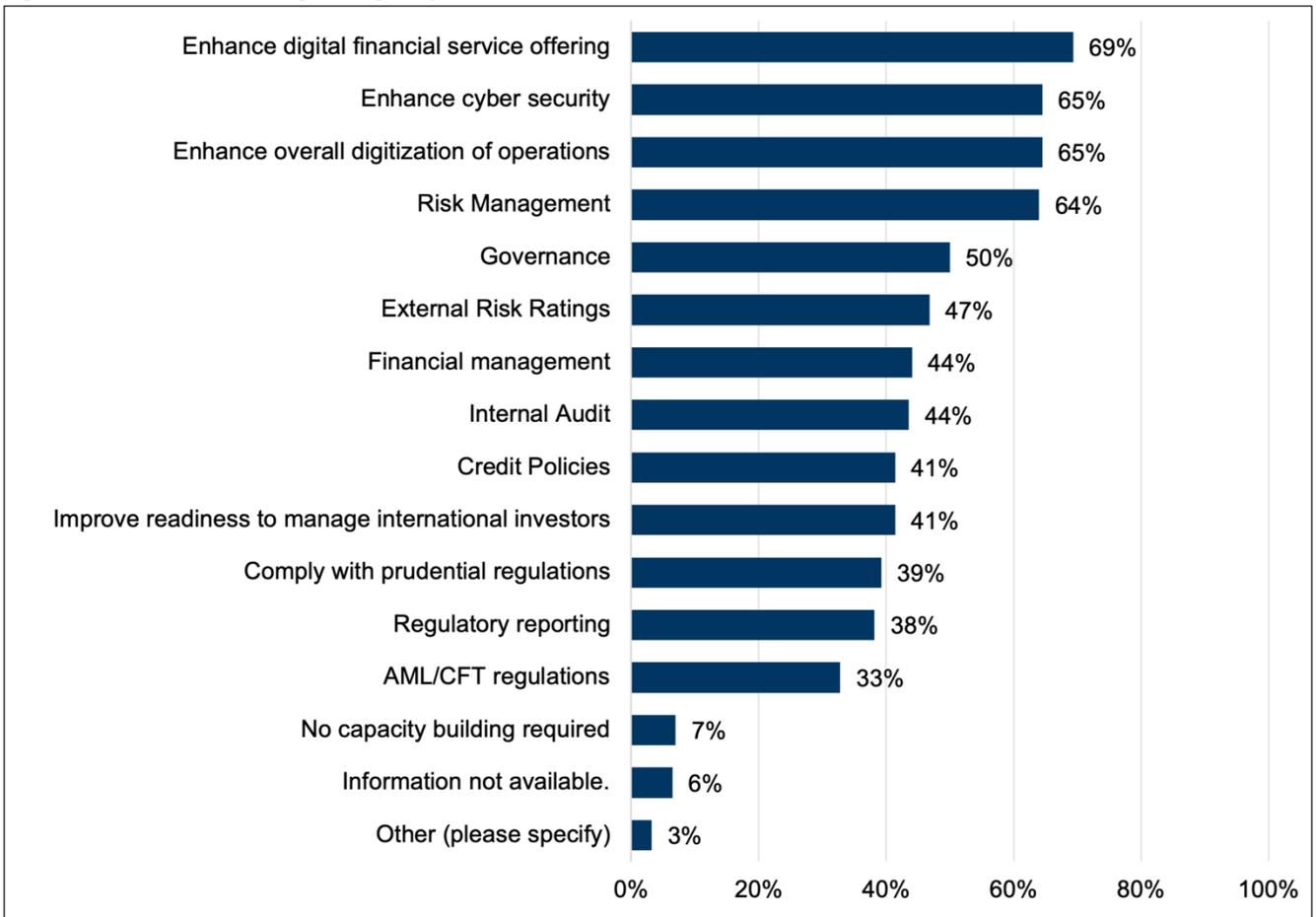
Credit unions demonstrate a strong commitment to strengthening their ability to serve members effectively. Overall, 83% of survey respondents expressed interest in receiving training or technical assistance to advance social, inclusion, and climate-related goals, underscoring that capacity building is a widely recognized priority. Figure 36 shows the key priority areas. Of note, 49% indicate an interest in building capacity to offer climate loans, 52% are seeking to improve impact monitoring, and 40% indicate a need for support to comply with climate regulations.

Figure 36. Capacity Building Requirements for Impact Investing



Beyond climate and inclusion, credit unions are also focused on strengthening their core operations. A total of 81% of respondents report seeking some form of capacity building, with the main areas of demand being digitalization, cybersecurity, and risk management. These priorities align closely with other findings in this study. Specifically, credit unions are expanding outreach to underserved groups and exploring new areas such as climate finance, but they require technical and institutional support to do so effectively.

Figure 37. Institutional Strengthening Requirements



Insights into Capacity Building Priorities

The capacity-building areas identified through interviews are consistent with the survey findings. Interviews reveal a consistent set of capacity-building priorities across regions.

The most common area of need is climate and environmental management, where credit unions in Kenya, Senegal, and Ecuador emphasized the importance of training to assess climate risks, monitor environmental impact, and comply with emerging environmental standards. Many are seeking practical guidance on how to align day-to-day operations with climate objectives and integrate climate considerations into lending and internal policies.

A second area centers on **product development**, with cooperatives in Latin America, particularly Ecuador, Guatemala, and Brazil, seeking technical expertise to design and implement sustainable or “green” loan products, as well as to pilot new instruments such as micro-insurance or green bonds.

Digitalization also remains a pressing need, especially among institutions aiming to reach rural or younger members more effectively. Credit unions in Senegal, Guatemala, and the Philippines highlighted the need for training in digital systems and innovation tools that could improve service delivery and efficiency.

Other priorities include **women’s and youth finance, governance, and fundraising skills**, with several institutions—especially in Ecuador and Brazil—underscoring the need for hands-on training in project preparation and donor engagement to help them access climate and impact funding opportunities.

While credit unions are committed to investing in their own capacity building, they also acknowledge that external support will be essential to meet identified needs.

Figure 38. Capacity Building Needs: Average Estimated Cost and Capacity to Finance

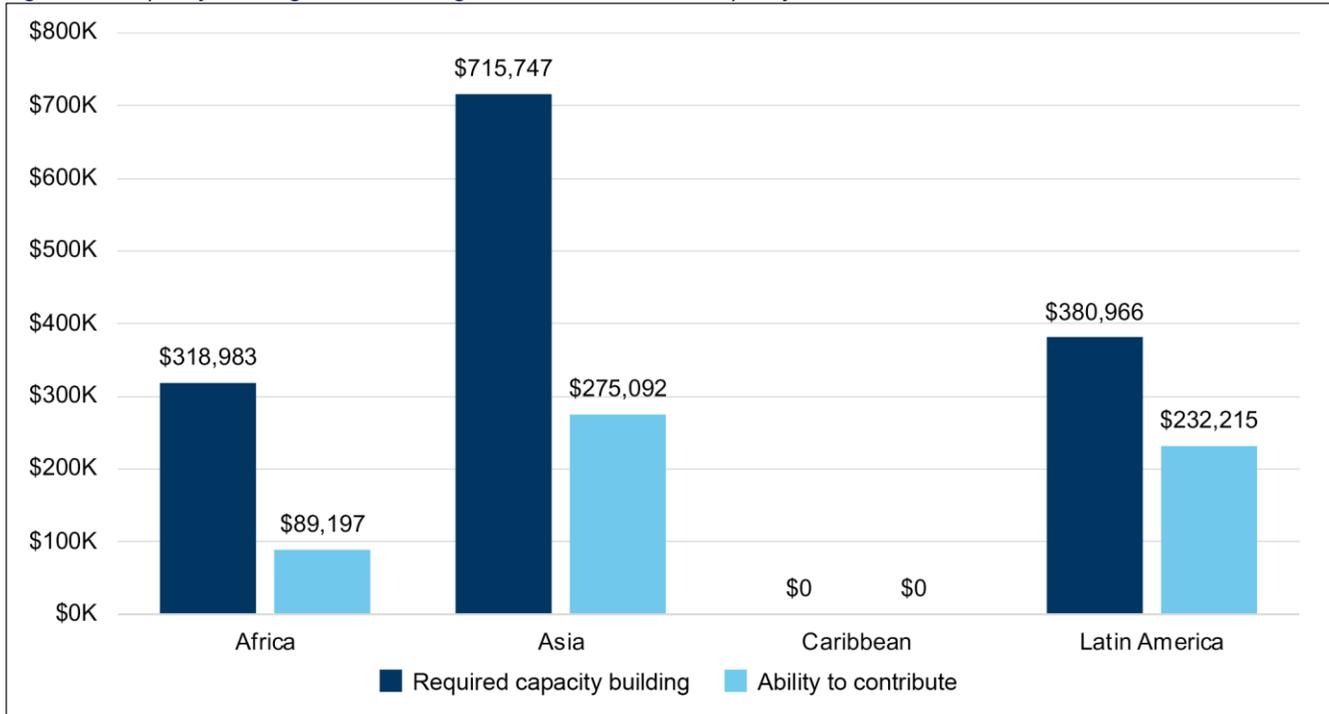


Figure 38 provides an illustrative snapshot of the total estimated capacity-building costs reported by surveyed credit unions, alongside the amounts they anticipate contributing from their own resources. Although the figure does not present proportional data or reflect broader trends, it underscores both the willingness of credit unions to invest in institutional strengthening and request additional support—particularly to build their climate-related capabilities.

8.0 Conclusions

This study provides new evidence of the scale, reach, and readiness of credit unions across the Global South to channel inclusive climate-related finance. It confirms that credit unions already serve many of the communities that global investors and climate funds struggle to reach. Credit unions across the globe are taking practical steps to align their missions, systems, and portfolios with the goals of resilience and inclusion.

Serving Vulnerable Populations

Credit unions have long been instruments of economic inclusion, and the data reaffirm this central role. Nearly all associations and 91% of surveyed credit unions report serving vulnerable or underserved groups. They direct about half of their total lending toward low-income households, informal enterprises, and smallholder farmers. Women and youth are the most commonly targeted groups, and in many countries, they constitute the majority of credit union members. Beyond lending, most credit unions complement their financial services with education and community initiatives that promote inclusion and climate awareness, reinforcing their function as local anchors of resilience. These results demonstrate that credit unions are effectively reaching communities central to climate and social impact objectives.

Advancing Diversity, Equity, Inclusion, and Justice (DEIJ)

Gender balance among members is strong, with women comprising 47% of both members and borrowers. However, women's leadership in credit unions remains uneven. About half of associations track gender composition of systematically, and among those that do, women hold about 14% of CEO positions and one-quarter of board seats. More than half of associations have now adopted social goals or ESG policies. These findings indicate that diversity and inclusion are well established among credit union members, though extending these principles into leadership and governance remains a work in progress.

Emerging Climate Finance Activity

Climate finance within the credit union movement is still early but taking shape. About 18% of credit unions currently offer and track dedicated climate loan products—most commonly for renewable energy, sustainable agriculture, or energy-efficient housing. Interviews suggest this figure understates real activity, as many credit unions finance climate change adaptation or clean-energy projects without formally classifying them as “green.” The lack of consistent taxonomies and reporting systems limits comparability, yet examples across regions demonstrate practical early experience in climate-related lending.

Credit unions' growing engagement and interest in climate finance is rooted in their core mission. Across interviews, leaders emphasized that protecting members' livelihoods—especially farmers, small entrepreneurs, and low-income households—requires addressing the effects of climate change directly. For many, climate action is an extension of their founding purpose: to help members achieve stability, self-reliance, and collective resilience. This community focus remains the strongest driver of interest in climate investment.

Potential and Interest to Expand

The majority of surveyed credit unions express interest in external financing, and more than one-third identify climate finance as a specific priority. Associations such as those in Brazil, Ecuador, Kenya, Senegal, and the Philippines are already developing environmental and social policies or testing green-loan pilots. This demonstrates genuine institutional will and early capacity for expansion, although many credit unions—especially smaller ones—have limited experience seeking external funding, particularly from international investors.

Credit Union Sector Financial Readiness

The sector's financial health provides a solid foundation for partnerships. Eighty percent of surveyed credit unions demonstrate strong performance, with average capital adequacy of 27% and high levels of compliance with prudential regulations. Liquidity is adequate overall, though some institutions will require access to longer-term funds to manage balance-sheet constraints. These results suggest that many credit unions—particularly those in Latin America, the Caribbean, and the more advanced African networks—could safely manage climate and impact capital under appropriate structures.

Role of Central Finance Facilities

The predominance of small institutions underscores the importance of central finance facilities (CFFs) and federated structures for credit unions to remain competitive, resilient and compliant. About half of surveyed credit unions already access shared

liquidity or finance mechanisms, and two-thirds use shared digital systems. CFFs such as those in Brazil, Jamaica, the Philippines, and Senegal have proven effective in pooling liquidity, and could serve as practical intermediaries for channeling blended or concessional funds to smaller credit unions.

Financing and Structural Considerations

Cost, tenor, and procedural complexity remain key barriers to accessing external capital. A blended-finance model—combining concessional resources, guarantees, and technical assistance—could address these challenges by lowering the cost of funds, extending loan terms, and reducing perceived risk. Such a structure would enable credit unions to align local member-driven lending with the requirements of global climate investors.

Capacity Building and Commitment

Eighty-three percent of surveyed credit unions identify capacity building as a priority, particularly in climate-loan design, environmental risk management, and digitalization. Nearly half are prepared to contribute their own resources to training, underscoring both ownership and readiness to invest in institutional strengthening.

Credit unions in the Global South are poised to become powerful channels for climate finance in their communities. They already leverage deep local trust, financial inclusion, and sound management—and are increasingly aligning climate and social goals. With strategic investments in blended finance, capacity building, and standardized reporting frameworks, these member-owned financial institutions can rapidly scale their impact and serve as a vital bridge between global climate capital and vulnerable communities that need it most.

Annex: Key Informant Interviews

Organization	Country	Type of organization	Website / Social Media
Bacbacan Multi Purpose Cooperative	Philippines	Credit Union	www.facebook.com/p/Bacbacan-Multi-Purpose-Cooperative-100083556046651
Bukidnon Government Employees Multi-Purpose Cooperative (BUGEMCO)	Philippines	Credit Union	bugemco.com
Clean Energy Credit Union	United States	Credit Union	https://www.cleanenergycu.org
Coonecta	Ecuador	Shared Digital Platform	coonecta.com.ec
Cooperativa Acredicom	Guatemala	Credit Union	www.acredicom.com.gt
Cooperativa de Ahorro y Crédito San Francisco de Asís	Ecuador	Credit Union	www.asis.fin.ec
Cooperativa de Ahorro y Crédito de la Pequeña Empresa Pastaza	Ecuador	Credit Union	www.cacpepas.fin.ec
Cooperativa Tonantel	Guatemala	Credit Union	micoope-tonantel.com
CRESOL	Brazil	Association	cresol.com.br
CRESOL Horizonte	Brazil	Credit Union	cresol.com.br/cooperativas_cresol/cresol-horizonte
CRESOL Raiz	Brazil	Credit Union	cresol.com.br/cooperativas_cresol/cresol-raiz
FENACOAC	Guatemala	Association	www.micoope.com.gt
Jamaica Police Co-operative Credit Union	Jamaica	Credit Union	jpccu.com.jm
JCCUL	Jamaica	Association	creditunionsofjamaica.com
NATCCO	Philippines	Association	www.natcco.coop
PAMECAS Mbour	Senegal	Credit Union	www.facebook.com/pamecaslofficel/?locale=sr_RS
PCAF	Global	Partnership of Financial Institutions	carbonaccountingfinancials.com
Qona SACCO	Kenya	Credit Union	qonasacco.com
Stima SACCO	Kenya	Credit Union	www.stima-sacco.com
U-IMCEC	Senegal	Association	https://www.uimcec.sn
UM-PAMECAS	Senegal	Association	pamecas.sn

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- ¹ Climate Policy Initiative, [Global Landscape of Climate Finance 2025 — Dataset Summary Tables & Methodological Annex B](#), noting that less than 2 % of climate finance disbursements reach small, local entities
 - ² Buchner, Barbara, Angela Falconer, Daniel Egger, Giulia Christianson, and the CPI Research Team. 2024. [Global Landscape of Climate Finance 2024](#). London and San Francisco: Climate Policy Initiative. pp. 8–10.
 - ³ The data do not explicitly identify credit unions or cooperatives, highlighting a visibility gap for community-level intermediaries. Information is drawn from Climate Policy Initiative, [Global Landscape of Climate Finance 2025 — Dataset Summary Tables & Methodological Annex B](#), noting that less than 2 % of climate finance disbursements reach small, local entities
 - ⁴ **OECD (2024)**. [Blended Finance and the Global South: Closing the Deal Gap](#). Paris
 - ⁵ **Pillay, A., et al. (2025)**. “[Evaluating Institutional Climate Finance Barriers for Local Financial Actors](#).” *Environmental and Sustainability Indicators*, Vol. 22. Elsevier.
 - ⁶ **Climate Funds Update (2024)**. [Global Climate Finance Architecture 2024](#). London.
 - ⁷ **World Council of Credit Unions (WOCCU) (2024)**. [Statistical Report 2023](#) and press release “[Global Credit Union Membership Surpasses 411 Million](#).” Washington DC.
 - ⁸ Ukraine, where the credit union sector has been deeply affected by conflict, has received technical assistance from WOCCU and its partner organization Worldwide Foundation for Credit Unions. It has been included due to this deep collaboration and the particular vulnerability of the sector. A small sample size (six credit unions) all Tiers 4 and 5 implies that does not have any significant impact on the overall findings.
 - ⁹ “Other” refers to the six Tier 4 and 5 credit unions from Ukraine.
 - ¹⁰ [Statistical Report | World Council of Credit Unions](#)
 - ¹¹ Climate Policy Initiative, [Global Landscape of Climate Finance 2025](#), indicates global climate finance reached USD 1.9 trillion in 2023 and early data show over USD 2 trillion in 2024.
 - ¹² CPI reports that international climate finance flows to EMDEs in 2023 totaled USD 196 billion. (From the same [CPI 2025 dataset](#))
 - ¹³ Analyses of climate funds show that small-scale, dispersed projects and marginalized populations are often excluded from major funding pipelines. See, for example, reporting from [Devex and analyses of Green Climate Fund and GEF project allocations](#).
 - ¹⁴ The [Center for Financial Inclusion](#) describes how accreditation, compliance, and due diligence requirements tend to favor large intermediaries over community-level actors.
 - ¹⁵ [Structural studies of climate finance architecture](#) (e.g. Climate Funds Update / Coping mechanisms) document how national-level filters and institutional demands reduce the share of capital reaching grassroots levels.
 - ¹⁶ **World Council of Credit Unions (WOCCU) (2024)**. [Global Programs Climate Finance Field Examples – Kenya, Philippines, Ecuador, Mexico, and West Africa](#).
 - ¹⁷ **World Council of Credit Unions (WOCCU) (2024)**. [Global Programs Climate Finance Field Examples – Kenya, Philippines, Ecuador, Mexico, and West Africa](#).
 - ¹⁸ **World Council of Credit Unions (WOCCU) (2024)**. [Statistical Report 2023](#)
 - ¹⁹ [PCAF](#)
 - ²⁰ PCAF is the methodology adopted by ISSB to measure carbon emissions
 - ²¹ [Sicredi](#)
 - ²² [PAMECAS Senegal](#)
 - ²³ [CONNECTA Ecuador](#)
 - ²⁴ [FEDECACES El Salvador](#)
 - ²⁵ **Social impact financing in this contexts refers to financing dedicated to vulnerable groups aside from gender-specific financing.**