



SAVINGS AND LOANS THAT CULTIVATE THE FUTURE: Education and financial inclusion for environmentally responsible production

The UNICA experience in the
Peruvian Amazon





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Savings and loans that cultivate the future: education and financial inclusion for environmentally responsible production in the Peruvian Amazon.

The experience of the Credit and Savings Unions - UNICA.

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1 INTRODUCTION

The “Sustainable Productive Landscapes in the Peruvian Amazon” (PPS) project is an initiative of the Peruvian State led by the Ministry of the Environment (Minam) with technical cooperation from the United Nations Development Programme (UNDP) and financing from the Global Environment Facility (GEF). It promotes the conservation of Amazonian forests and environmentally responsible productive development in the province of Puerto Inca (Huánuco) and in the district of Nueva Requena and the province of Padre Abad (Ucayali). Within this framework, it was identified that access to adequate financial services for small-scale rural and indigenous producers is a key factor in facilitating competitive and responsible practices with natural resources, as well as in improving local livelihoods. As part of the strategies to address these objectives, the implementation of the Credit and Savings Unions (UNICA) emerged as a mechanism to strengthen financial education and inclusion in communities with limited access to traditional banking. This initiative responded to a prior UNDP experience with the Development Finance Corporation (COFIDE) on the project

“Strengthening financial inclusion in rural areas,” which sought to ensure financial education and inclusion through the creation and support of UNICA operations in rural areas of Peru.

The Inclusive Business Development Program (Prider) of COFIDE has been implemented since 2005 and covers 16 regions of the country (Ayacucho, Cajamarca, Lambayeque, Piura, Tumbes, Áncash, Moquegua, Lima Province, San Martín, Huánuco, Ica, Amazonas, Loreto, Ucayali, Puno, and Apurímac). Prider established 1,912 UNICA with more than 25,000 members as of that date.

This systematization of the UNICA experience documents the process of promotion, training, and consolidation within the PPS project’s intervention area, in order to gather lessons learned, results, and recommendations for its strengthening and future replication.



2 CONTEXT AND CHALLENGE

The PPS project's intervention areas are characterized by high rurality and a strong dependence on agricultural activity. In Puerto Inca, 77.3% of the population lives in rural areas¹, while in Padre Abad this percentage reaches 32.3%². Despite the productive potential, low Human Development Index (HDI) scores and limited economic opportunities restrict the progress of local communities.

In turn, access to formal financing is particularly limited in the PPS project's intervention areas. The presence of financial institutions is scarce, and the limited existing supply does not focus its financial products on the agricultural sector, nor is it adapted to the dynamics and cycles of Amazonian farmers' crops. This forces these small-scale producers to depend on informal credit mechanisms or have no access to financing whatsoever. The results of the 2023 National Agricultural Survey, conducted by the National Institute of Statistics and Informatic³, confirm that access to financing in the Peruvian agricultural sector is low: only 9.1% of agricultural producers nationwide applied for credit in 2023, which highlights the structural barriers for this rural population in the country.

This limited access to financing restricts the ability of rural families to invest in their productive activities in a sustained manner over time. Furthermore, it reinforces poverty cycles and increases pressure on the use of the goods and services that natural resources provide, which affects the sustainability of Amazonian ecosystems. Additionally, there are high levels of distrust towards external initiatives due to previous experiences with financial scams.

In response to this scenario, the implementation of UNICA was proposed as a strategy adapted to the Amazonian rural context, based on self-management, community trust, and the building of local financial capacities. The purpose is to facilitate access to resources to improve production and strengthen the livelihoods of local small-scale producers, in alignment with landscape conservation objectives.

1 National Institute of Statistics and Informatics (INEI). (2018). *Resultados definitivos de los Censos Nacionales 2017: XII de Población, VII de Vivienda y III de Comunidades Indígenas. Huánuco. Tomo 1.* https://www.inei.gob.pe/media/MenuRecursivo/publicaciones_digitales/Est/Lib1570/10TOMO_01.pdf

2 National Institute of Statistics and Informatics (INEI). (2018). *Resultados definitivos de los Censos Nacionales 2017: XII de Población, VII de Vivienda y III de Comunidades Indígenas. Ucayali. Tomo 1.* https://www.inei.gob.pe/media/MenuRecursivo/publicaciones_digitales/Est/Lib1554/25TOMO_01.pdf

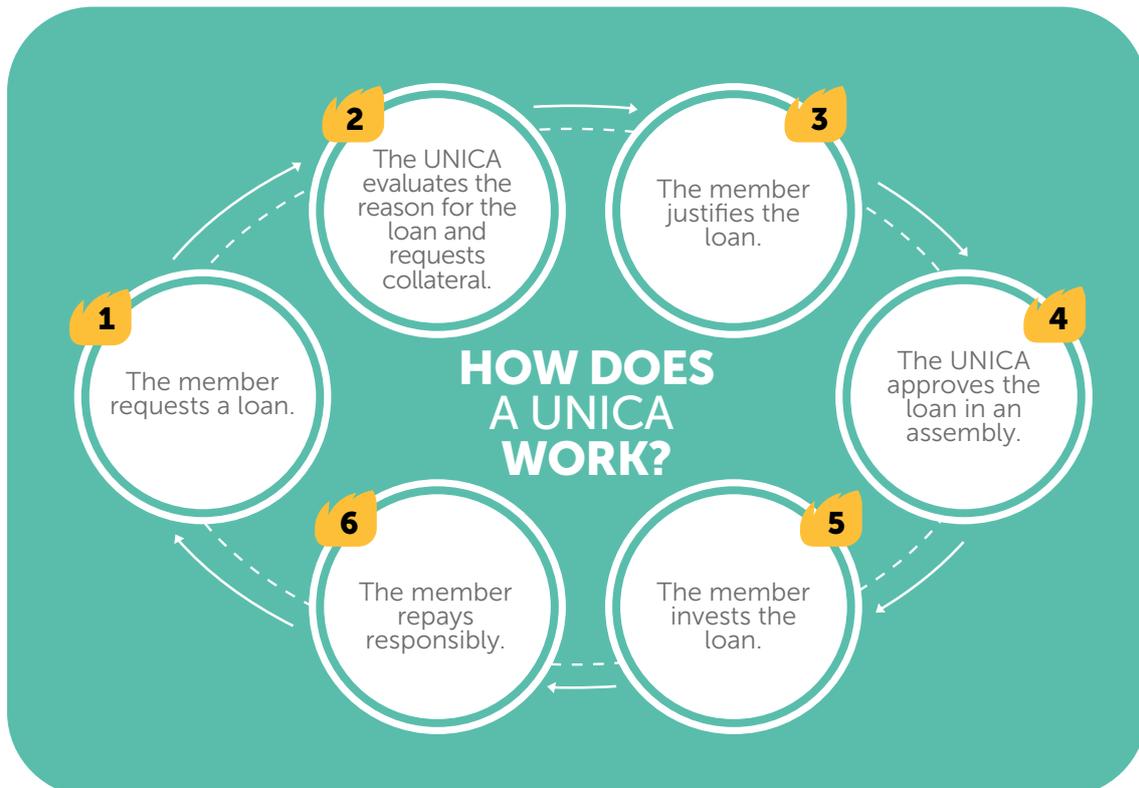
3 National Institute of Statistics and Informatics (INEI). (2018). *Productores agropecuarios: principales resultados de la Encuesta Nacional Agropecuaria (ENA) 2018, 2019, 2022 y 2023.* <https://cdn.www.gob.pe/uploads/document/file/7176575/6152298-productores-agropecuarios-principales-resultados-de-la-encuesta-nacional-agropecuar-ia-ena-2018-2019-2022-y-2023.pdf?v=1731532580>

3 WHAT IS A UNICA?



UNICA are self-managed organizations, formed by groups of 10 to 30 people from a community, who voluntarily associate to manage a common fund. Through their management committee, they grant loans to their members, who use these funds to launch productive

activities or strengthen existing ones. The members' ventures generate the necessary profits to repay the loans in a timely manner and to reinvest. In this way, each UNICA continues to grow.



Graph 1. How a UNICA operates

MAIN CHARACTERISTICS OF THE UNICA

-  Community management: The members of the UNICA are responsible for managing their organization and make decisions jointly.
-  Self-financing: The UNICA are capitalized exclusively through their members' savings, without receiving external donations or loans.
-  Savings and loan cycle: The members of the UNICA save periodically, and with the accumulated funds, loans are granted among them.
-  Trust: For the success of the UNICA, it is essential that trust exists among its members, in their female and male leaders, and in the process itself.

Thus, the UNICA offer a community-based alternative for accessing loans, which facilitates financing for productive improvement and strengthens local economic autonomy.

Additionally, the UNICA help generate the sound habit of saving and assist members in learning and internalizing financial concepts (loans, savings, capital, interest, etc.) experientially.

An important difference in this model is that community actors receive advice and accompaniment in the establishment and management of their UNICA, including financial training and technical assistance, until they can operate independently. However, they are not given external economic resources, as all managed funds belong exclusively to the associated individuals.



4 HOW WAS THE PROCESS IMPLEMENTED?



Identification of grassroots organizations and presentation to the leaders of each community.

In 2022, a joint team from the PPS project and COFIDE conducted visits to Neshuya, Curimaná, Puerto Inca, and Codo del Pozuzo with the dual purpose of understanding local expectations and socializing COFIDE's Prider methodology with indigenous and non-indigenous producers, both organized and unorganized. Following the positive response from these communities, the program's implementation officially began in October of that year.

It was decided that each province—Padre Abad and Puerto Inca—would have a financial monitor for the training and accompaniment of the UNICA for a period of 18 months (the term was later extended to 21 months). The financial monitors' first task was the identification and training of female and male leaders from each community interested in adopting the methodology. A fundamental step was ensuring that the local leader understood the potential and committed to the formation of their UNICA, as dynamic and trustworthy leadership facilitates the group's consolidation.

Each identified leader convened a core group for an initial meeting to present the model. During this meeting, the next step was taken: establishing a democratically elected management committee. The members'

commitment was materialized through the purchase of shares, information that was recorded from the very first meeting in the loan, share, and cash ledgers, and the book of minutes. During the monthly assemblies, the "learning by doing" educational methodology was applied, with the constant accompaniment of the financial monitor. In these assemblies, they updated the information in the ledgers, balanced the cash box, purchased new shares, and granted new loans.

The interest rate, fines, and penalties charged by the UNICA were decided freely by their members; the same occurred with their bylaws, which were adapted to the reality of each community. At the end of the annual cycle, the members decided on the use of the interest generated during the year. They could capitalize it by converting it into shares or withdraw it as profit.

The implementation process of the UNICA followed several key steps, although not necessarily in a linear fashion, as more than one round of presentations and awareness-raising may be required to spark interest in the UNICA.



Presentations and meetings with the members; self-selection process.

Establishment of the UNICA and election of the management committees.

First purchase of shares and granting of loans.

Monthly assemblies with monitoring by the financial monitor.

Annual distribution of generated profits.

Graph 2: Steps for the formation of the UNICA within the PPS project framework

ADAPTATION TO COMMUNITY SELF-SELECTION

One of the project's objectives is to identify or generate financing mechanisms tailored to the real needs of producers, particularly considering the nature of their production cycles and harvest seasons. In this regard, although the work began with the leaders of the main productive organizations previously linked to the project in the adoption of good practices, including those formed within native communities, no conditions were placed on the self-selection of members, because trust is a central principle of the UNICA model.

SHARED LEARNING SPACE

In 2024, within the framework of the development stage of the UNICA promoted by the PPS project, a participatory workshop was organized with representatives from the 20 established UNICA. This space allowed for the sharing of progress, challenges, and lessons learned; furthermore, it strengthened the collective identity of these organizations formed during the project's implementation. This workshop included the testimonies of

representatives from two UNICA with greater experience: the UNICA from La Encañada (Cajamarca) with a 15-year track record, and the one from Tingo María (Huánuco) with a 5-year track record. Their stories inspired the participants, motivating them to visualize the long-term potential of their own organizations.

Subsequently, in 2025, a second space for reflection was held, this time focused on the consolidation process of the UNICA, which now operate more autonomously, with greater integration between their productive activities and the efficient use of their loans.

Both workshops were positively valued by the members, as they allowed them to recognize themselves as part of a larger network, the national community of 1,921 UNICA. This recognition reinforced their sense of belonging, common purpose, and long-term vision for development.

5 RESULTS



GENERAL RESULTS

-  20 UNICA were established in the PPS project's intervention territories.
-  Currently, 19 UNICA remain in operation. Only one UNICA ("Visión al futuro") dissolved due to a lack of new leadership on the management committee.
-  **Total number of participants: 395 people**, of whom **55% are women** and **45% are men**.

FINANCIAL RESULTS AS OF MAY 2025

-  Accumulated share capital: **S/ 732,053.00**
-  Cumulative loan amount: **S/ 3,126,285.20**
-  Interest collected to date: **S/ 456,575.60**
-  Loan disbursements: **1,949 operations** were carried out, of which **50% were requested by women** and **50% by men**.

OTHER IMPORTANT ACHIEVEMENTS

-  Upon completion of the planned technical accompaniment period, the UNICA demonstrated a notable capacity for self-management and organizational cohesion. Thanks to the progressive strengthening over the 21 months of implementation, these organizations keep their accounting records updated.
-  The majority of the UNICA successfully carried out two profit distributions, following the best practices recommended by the methodology.
-  The share capital and loan volume continue to grow:
 - 80% increase in share capital between July 2024 and May 2025
 - 77% increase in loans in the same period

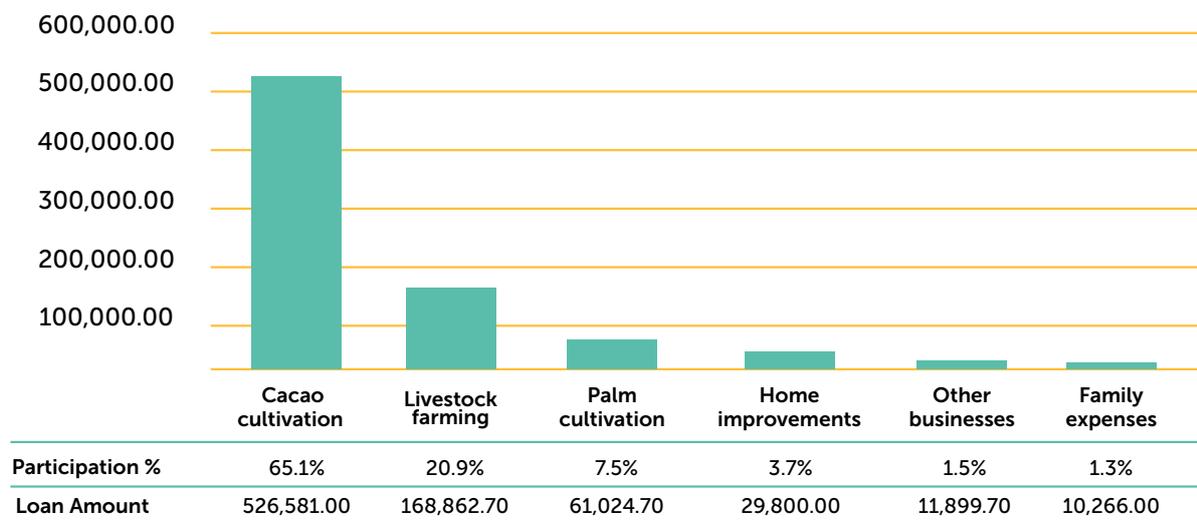
MAIN PURPOSES OF LOANS GRANTED

Regarding the evolution and growth of the UNICA, a relevant aspect related to the accumulated share capital and the average loan amount is the purpose for which loans are used. Initially, during the first year of UNICA creation, the average loan amounts did not exceed S/ 1,000.00 and were primarily allocated to family needs or to cover household contingencies. However, according to the latest report as of April 2025, of the total outstanding loans, 93.6% was used for the maintenance costs of cacao, palm, or livestock farming.

Among these, cacao is the crop with the highest use of resources (S/ 526,581.00 in loans with 65.1% of participation). These resources were primarily used for crop fertilization, which will positively impact the future productivity of the crop and, furthermore, is closely related to the good productive practices promoted by the project. Following

in importance is livestock farming (especially in the UNICA formed in the province of Puerto Inca) with loans totaling S/ 168,862.70 and a 20.9% share, and oil palm (in the UNICA formed in the province of Padre Abad) with outstanding loans of S/ 61,024.70 and a 7.5% share. In these cases, the consistent pattern of greater investment in crop fertilization is also maintained, which demonstrates the producers' strong interest in practices that increase crop productivity and reduce pressure on Amazonian forests. All of this allows for production in harmony with nature.

Purpose of loans as of April 2025



Graph 3. Purpose of loans as of April 2025

Beyond the financial results, the testimonials from the UNICA members reflect how access to savings and loans has transformed their productive practices and their relationship with the landscape.



When I receive my profits or when I take out a loan, I invest it in palm, in integrated pest management and fertilization... I must increase the production of the palm plantation I have, the same for cacao. It is preferable to increase production than to expand the acreage.

Saul Pariacuri, president of the «Los triunfadores de Santa Rosa de Guinea» UNICA



With the loan, we are improving the cacao and the fish farms. With this financing, we are generating an income and we are going to move forward... Everything related to reforestation with trees, too. Now we buy seedlings to plant in what is a silvopastoral livestock farming.

Rocío Cóndor, president of the «Los emprendedores de Santa Isabel» UNICA



I have 3 cuadras of cacao. All my investment from the UNICA I invest in my cacao crop and, since I have cacao that is in production, I take my cacao, harvest, sell, and with that money I pay back the UNICA.

Manuel Carpio, president of the «Forjando valores» UNICA

6 SUCCESS FACTORS

Building community trust

Trust was the central factor that enabled the formation and consolidation of the UNICA. The model was based on the self-selection of its members: the very people who form the UNICA chose whom to partner with to manage their money. This autonomy strengthened the members' commitment and generated lasting relationships of trust.

Close and constant technical accompaniment

The permanent presence of financial monitors in the field during the first 21 months of operation was key. They provided support on accounting matters, resolved doubts, and

facilitated the organization of meetings. This allowed the UNICA to gradually strengthen their autonomy and helped members reduce their initial fear of managing collective funds.

Educational methodology of «learning by doing»

The practical training carried out during the monthly assemblies facilitated the learning of accounting and internal management procedures. Constant practice consolidated real capacities among the members, which led to less dependence on financial accompaniment in the medium term.





Strengthened local leadership

Another determining factor for the success of the UNICA was the identification and training of local female and male leaders with credibility in their community. These individuals became natural promoters of their UNICA, helping to maintain the motivation and cohesion of the group they led. Trust in those who drive and lead the UNICA is vital to generate, form, and consolidate these self-managed organizations. Along this path, local leadership was enhanced, respecting and recognizing the existing dynamics and relationships in the communities.

Zero delinquency

The punctual repayment of loans is a very common situation in the UNICA universe, especially during the first years of operation, when the funds available for loans are very limited and social control is very rigorous.

Financial inclusion

The ease of access to financing is a highly valued attribute by the members, the majority of whom come from rural areas and have low or very low incomes. Furthermore, they face very high transaction costs (transportation fares, travel time, supporting documents, etc.) to access financing from a supervised entity, which are usually located in cities far from their communities.





Economic backing

A high percentage of UNICA members belong to productive organizations dedicated to cacao, palm, and/or livestock farming. This implies that, for the most part, the loans are allocated to these economic activities and that there is a backing that ensures the repayment of their loans.

Synergy with other project activities

Many of the people who join and lead the UNICA also participate in other PPS project activities, which has allowed them to develop new capacities and adopt a more sustainable vision for their productive practices. This participation has been fundamental in accelerating the development and consolidation process of their organizations, including the UNICA, which strengthens their autonomy and management capacity.

Recognition and sense of belonging

Participation in exchange spaces, such as the 2024 participatory workshop, allowed the UNICA to recognize themselves as part of a broader network of similar organizations. This sense of belonging strengthened their institutional self-esteem and their vision for the future.

Gender equality

Another key success factor was the equitable participation of women in the UNICA. 54% of the members are women, and 50% of the loans are requested and obtained by them.

This incidence reflects a commitment to financial inclusion and the contribution to the empowerment of women in Amazonian rural communities. Parity not only strengthens decision-making within the UNICA but also fosters a more equitable and participatory environment.



«For me, there is no such inequality where a man has more access... For me, it would be the opposite, because in my UNICA the majority of us are women and we are very responsible with the loans, we are paying punctually and we haven't had any problem with that».

María Ruiz, president of the «Arenalillo al futuro» UNICA

7 CHALLENGES ALONG THE WAY AND LESSONS LEARNED

Initial distrust from the communities

Challenge: At the beginning of the process, many people showed fear of getting involved in the UNICA, due to previous experiences with scams involving projects or fraudulent competitive funds.

Lesson: It is crucial to invest time in awareness-raising processes based on transparency, show early results, and reinforce trust in community self-management.

Lack of accounting and administrative experience

Challenge: Managing the ledgers for minutes, cash, shares, and loans represents a significant challenge for the members, especially in communities with limited access to formal education.

Lesson: Practical "learning by doing" training and patient financial accompaniment are fundamental for members to internalize basic accounting procedures.

Initial dependence on the financial monitor

Challenge: In the first few months, many UNICA depended almost entirely on the monitor for decision-making and for carrying out key activities such as balancing the cash box.

Lesson: It is important to plan a strategy from the outset to strengthen local leadership and capacities, so that accompaniment can be progressively reduced.

Use of funds

Challenge: In the initial months, the UNICA allocated the majority of loans to family needs or purposes unrelated to productive activities, which is explained by the lower initial average loan amounts and the adaptation process.

Lesson: It is important to link the scope of the UNICA to productive activities and grassroots organizations; furthermore, it is necessary to reinforce the concepts of responsible loan use and the need to generate cash flows for their repayment.

Logistical and technological limitations

Challenge: Several UNICA faced limitations in holding their meetings properly, due to the lack of appropriate physical spaces and the scarcity of basic tools like laptops or tablets to record their accounting information. These conditions affected the formality and efficiency of their initial management.

Lesson: The economic strengthening of the UNICA, through their own accumulated profitability, will allow them to progressively improve their logistical and technological conditions. This process of self-investment strengthens their sustainability, autonomy, and sense of ownership over their organization.

8 RECOMMENDATIONS

During the process of introducing a UNICA into a territory, it is important to understand that the formation of these self-managed organizations is based on trust and on pre-existing grassroots organizations, as well as on residential ties (in towns) or ethnic ties (in native communities). These pre-established relationships are fundamental for their creation and proper functioning. Likewise, it is essential to identify and train local female and male leaders, who play a crucial role in the successful establishment and management of the UNICA, fostering community participation and commitment to the organization.

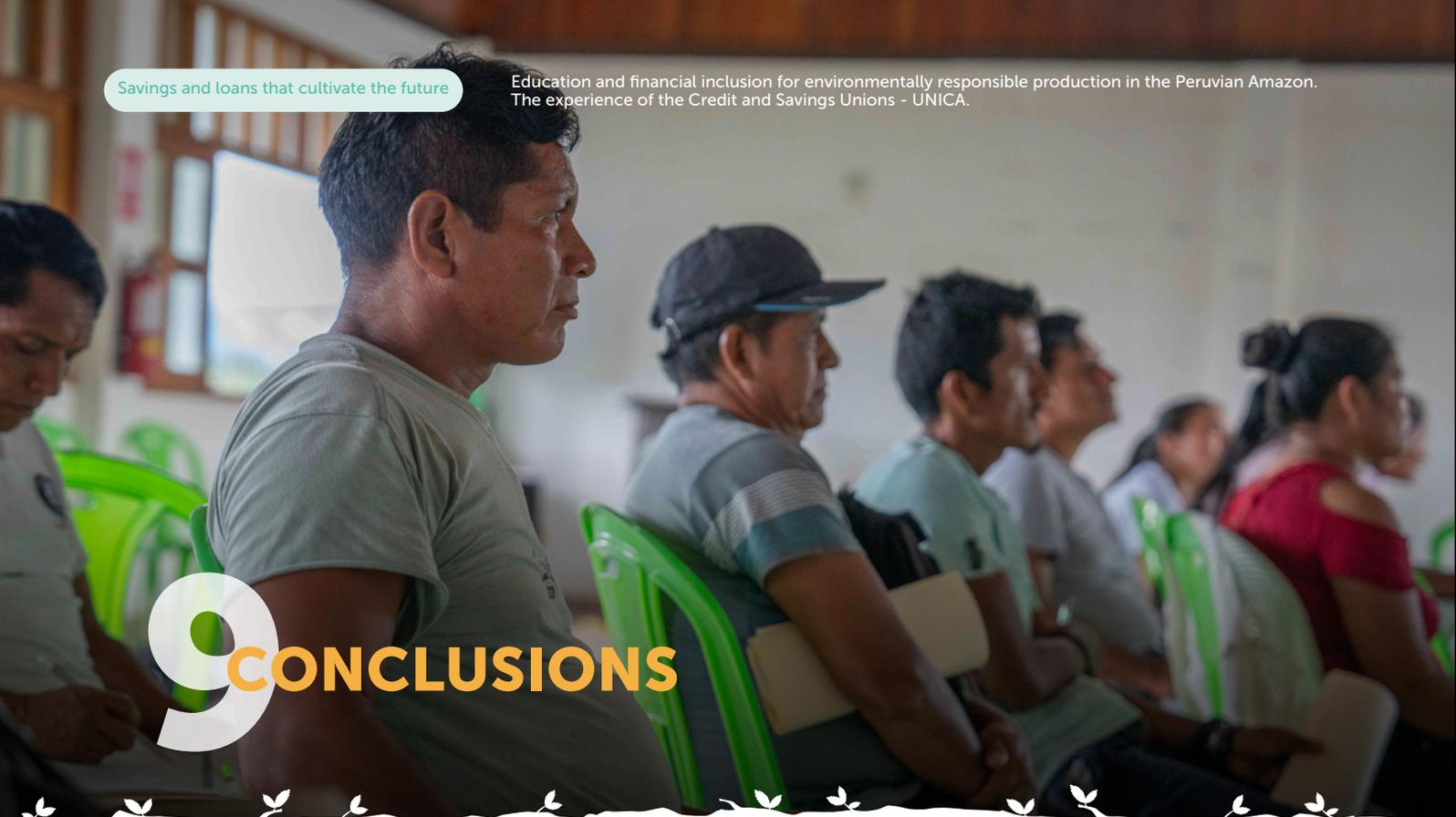
On the other hand, it is important that the UNICA be structured around productive activities that have technical accompaniment with an environmentally responsible focus. This allows the UNICA to serve not only as financial mechanisms but also as allies for competitiveness and for responsible, conservation-friendly production and the recovery of ecosystems. In this way, a more efficient and responsible use of funds is promoted, delinquency levels are reduced, and more

resilient and environmentally beneficial productive practices are encouraged.

A key aspect to improve is to promote the use of accessible and user-friendly technology. Currently, according to COFIDE, a web application is being developed; however, it is also necessary to have a mobile application, considering that in rural communities, access to the internet or to equipment like computers is often limited. The mobile application will facilitate the recording of financial transactions, the tracking of income and expenses, and communication among UNICA members and networks.

In addition, it is recommended to offer training in soft skills, such as leadership, effective communication, conflict resolution, and teamwork. This will strengthen the capacities of those who manage and operate the UNICA.





9 CONCLUSIONS

The establishment of the UNICA in these regions of the Peruvian Amazon marks a significant milestone on the path toward sustainable development and economic inclusion in the region. These community organizations not only have the potential to transform people's lives by fostering a culture of savings and credit, but they also play a key role in (i) empowering rural communities, especially their female members, by allowing them to make decisions and manage their own resources autonomously; (ii) generating more resilient and prosperous communities and families with greater financial capacities; and (iii) promoting their economic sustainability.

The purpose of the loans has been changing as the available capital in each UNICA has increased. Now, the loans are increasingly oriented toward productive activities and ventures. Initially, loans were allocated to family consumption, but today they primarily cover the needs of agricultural campaigns.

This change is related to the environmentally responsible production models promoted by the PPS project, which have been put into practice by the participating members of the UNICA as a result of technical assistance, training, and the implementation of pilot productive units. In this way, the members of the UNICA are aware of the importance of proper management of their crops and animal husbandry, and of increasing the productivity and quality of their products in an

environmentally responsible and competitive manner.

By strengthening local economic activities and improving their members' incomes, the UNICA contribute to reducing the pressure on natural resources. This, in turn, favors the preservation of the Amazonian landscape and supports the conservation of its ecosystems in the long term. Thus, the UNICA are a powerful tool for the balance between economic development and conservation, which helps to build a more sustainable future for the communities and the natural environment.

The members of these community organizations have many dreams, and in their UNICA they have found a means to begin making them a reality. From improving the productivity of their crops in an environmentally responsible way to industrializing agricultural and livestock products or improving the genetics of their cattle. The dreams are diverse, but they are possible if the process continues and they achieve the necessary levels of economic capitalization and associative cohesion to materialize them. The inputs are already present: motivated people who have learned a methodology that will allow them to save, capitalize their resources, and have the necessary means to undertake initiatives of greater scope.



13 ACCIÓN
POR EL CLIMA





Paisajes productivos sostenibles

en la Amazonía peruana

