



GUIDELINE TO DEVELOP INCLUSIVE BUSINESS PROFILE FOR LAND FINANCE HUB

Dyah Puspitaloka, D. Andrew Wardell, Emily Gallagher

CIFOR-ICRAF
2023

Guideline to Develop Inclusive Business Profile for Land Finance Hub

Introduction

Sustainability and inclusivity have gained more attention in recent decades. More businesses are now championing sustainability and inclusivity in their company's commitment and practices. Their compliance is shown, for instance, through sustainability certification and gender-diversity at the workplace. While large corporations can advance their position amidst the sustainability and inclusivity demands, creating a compelling sustainability and inclusivity narrative remains challenging for Medium and Small and Medium Enterprises (MSMEs) due to their limited resources and capacity to develop the same. This guideline is developed as part of the complementary material to navigate and register in the [Land Finance Hub](#). We hope MSMEs, including business associations in the agricultural and forestry sector can build a strong narrative explaining their sustainability and inclusivity efforts to attract green finance.

Box 1 - About the Land Finance Hub

The Land Finance Hub is a learning hub for knowledge products and tools, capacity development and collaborative platform. The Hub aims to connect agriculture and forestry-based MSMEs with investors and financial institutions. It is intended to showcase MSMEs profiles and financing projects, build MSMEs capacities and improve access to information and knowledge products on green finance and business. The Hub development is made possible through the Green Finance for Sustainable Landscapes (GF4SL), supported by the Global Environment Facility (GEF) where CIFOR is a co-implementing partner with United Nations Environment Program Finance Initiative (UNEP FI) The project and the Hub seek to address barriers to sustainable financing and support the transition to sustainable commodity production and land use.

Suggested template of business profile

For training purposes, we developed a business profile template for MSMEs. The suggested template is expected to help MSMEs in organizing information about their business when entering profile information into the Land Finance Hub. This template has been tested and used to refine Indonesian MSMEs' business profiles and train Ghanaian MSMEs in August 2023. This template enables the MSMEs to inform their position in the value chain, commodity of focus, information on sustainability certification and commitment, business characteristics/size (total employees, assets and annual sales), supply sources, gender and social inclusion in the business and community engagement activities (Box 2). See also Box 3 to see how this template is applied.



Photo: Dyah Puspitaloka/CIFOR-ICRAF

Figure 1. Ghanaian MSMEs developing business profile using the suggested template (see Box 2)

Box 2 - Suggested template

... [insert business name] is a ... [insert business type] enterprise based in ... [insert Address]. Our enterprise was established in ... [insert year of establishment] with focus on... [insert analysis of value chain position and specific commodity]. We have obtained ... [insert business and legality certification]. Our commitment to sustainability is shown by ... [insert Sustainability Commitment and/or Certification].

Our enterprise has a total of ... [insert total employees] employees of which ... [insert women role] are women. Our ... [insert specific commodity material/supply] is sourced from ... [insert location/type or producer] in ... [insert geographic location], including ... [insert women/other marginalized group if any] operation. Our community engagement activities include ... [insert type of support to producers/suppliers].

We have total assets of ... [insert total asset] and average annual sales of ... [insert average annual sales] in the past three years. We are looking for ... [insert type and amount of funding needed] to fund our business project on ... [insert business project].

Box 3 - MSMEs profile example using the suggested template

Makola is a cocoa cooperative enterprise based in 23 Oxford Street, Accra, Ghana. Our enterprise was established in 2003 with a focus to produce and trade certified and high-quality cocoa powder. We have obtained business legality from the Ghana Cocoa Board, and our commitment to sustainability is shown by our Sustainable Cocoa Certification, completed in 2015.

Our enterprise has a total of 100 employees of which the owner and half of the employees are women. Our cocoa is sourced from the lowlands of Eastern Region in Ghana, including 30% from the operations of women and indigenous peoples. Our community engagement activities include sustainable cocoa farm management and community training.

We have total assets of USD 100,000 and average annual sales of USD 100,000 during the past three years. We are looking for USD 100,000 of a term-loan to fund our business project to develop a cocoa processing factory and expand community-led farm operations.

Conclusion

A business profile is an important component for introducing business to a wider audience as well as for business pitching purposes. For the Land Finance Hub, the narrative is embedded in MSMEs business profile presented to the financier for green financing purposes. Hence, tailoring the profile that suits the green-finance audience is key to improve opportunities of securing green finance. We hope this guideline helps to capture the competitive positioning and practices in terms of sustainability and inclusivity in agricultural and forestry-based MSMEs.
