

Success Story – LAGreen Fund

Building Markets, Not Just Portfolios in Peru



Country: Peru

Theme: Green Bonds

Investee: BanBif, Caja Cusco

Sectorial organizations supported: Asomif, FEPCMAC

Date of investment: 2024 (BanBif), 2025 (Caja Cusco)

SDGs supported: 6,7,9,11,12,13,15*

Project summary: LAGreen’s presence in Peru reflects a broader strategy: not only investing in thematic bonds but actively helping to shape the market that enables them. In a financial landscape still developing its thematic bond segment, our work has taken on a catalytic role, assisting both the financial infrastructure and the pipeline needed for long-term growth.

This approach began with contributing to the 2022 Peru Sustainable Finance State of the Market Report and has since evolved into hands-on engagement with financial institutions and corporates. Through our Advisory and Capacity Building services, we work closely with local partners to translate ambition into readiness, help institutions design frameworks, meet international standards, and ultimately access capital markets.

To date, this support has reached five financial institutions and one corporate corporation, while also strengthening the broader ecosystem through partnerships with associations such as ASOMIF, the Association for Microfinance Institutions, and FEPCMAC, the Peruvian Federation of Municipal Savings and Credit Banks. As a result, more than 100 market participants have taken part in targeted training,

building the foundations for a more mature and credible sustainable finance market.

From Advisory to Investment: Turning Preparation into Capital

This upstream work is not theoretical as it directly feeds investment outcomes. By strengthening issuers before they enter the market, we are helping to create a pipeline of credible, investment-ready opportunities. Today, this is reflected in a growing portfolio of USD 36.4 million in outstanding thematic bonds in Peru, signaling both increased market confidence and depth.

At the center of this story there are two institutions, the first, [BanBif](#), featured in our 2024 Impact Report with its first Peruvian subordinated thematic bond issuance, has already issued a second tranche of the bond in 2025. The second, Caja Cusco, one of Peru's leading microfinance institutions, with a strong track record in advancing financial inclusion across urban and rural communities.

In 2025, LAGreen's USD 15 million investment in the sustainability bond issued by Caja Cusco was a defining moment. As the first issuance of its kind by a Peruvian municipal savings and credit institution, the transaction marked an important step forward for the segment, demonstrating that smaller, regionally focused institutions can successfully access green bond markets.

A Partnership Approach: Depth Beyond the Investment

Behind this milestone lies a close, collaborative process. Our advisory services accompanied Caja Cusco from early-stage framework development through to issuance, including identifying eligible green and social assets, shaping the Sustainability Bond Framework in coordination with investors, and advising Caja Cusco during the Second Party Opinion process.

This partnership did not end at issuance. LAGreen continues providing advice and capacity building focused on impact measurement and reporting to Caja Cusco. This engagement ensures that the bond delivers not only financial returns but also transparent, credible outcomes. What does this look like for Caja Cusco? By integrating sustainability criteria into its core systems and processes, the institution can expand access to finance for entrepreneurs, small-scale producers, and underserved populations. At the same time, it is building a growing portfolio in areas such as sustainable agriculture, energy efficiency, and affordable housing. This continuity is central to LAGreen's model; embedding accountability while strengthening investor confidence and market standards over time.

Strengthening Institutions, Expanding Impact

LAGreen's role in this journey highlights a broader principle: sustainable finance markets do not develop through capital alone. They require long-term partnerships, technical expertise, and institutional capacity. In Peru, our market-building journey started with BanBif – the fund's first investment in Peru and a landmark transaction that helped establish the country's first subordinated thematic bond. This paved the way for further engagements such as Caja Cusco and a steadily deepening impact ecosystem.

By combining investment with advisory and capacity building, we are not only diversifying and deepening our own portfolio across Latin America but also helping to create the conditions for sustained market growth, ensuring that more institutions can participate, and more capital can flow where it is needed most.

*SDG's supported are defined at framework level.

Source <https://lagreen.lu/building-markets-not-just-portfolios-in-peru/>