

INCLUSIVE GREEN FINANCE

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Impact of the AFI Network

1200+

Maya Declaration financial
inclusion targets

920+

Policy changes

60%

Members' attribution of AFI's contribution to
financial inclusion policy changes

Over

841Mil

Unbanked people brought into the
formal financial system

CLIMATE CHANGE AND FINANCIAL STABILITY

Physical risks

Extreme weather
events
Slow-onset climate
change

Impact on:

Input costs
Operating costs
Revenues
Supply chain
Business
interruption
Timing

Transition risks

Policy & Legal
Technology
Market
Reputation

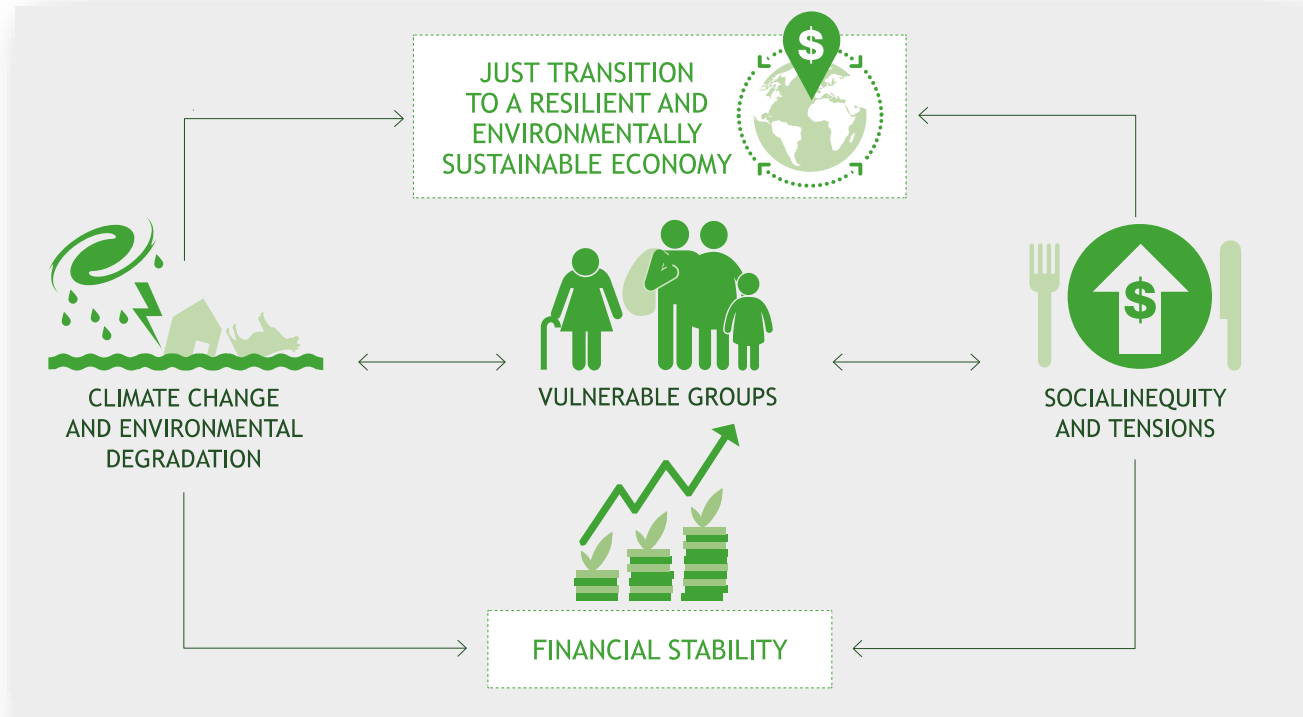


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INCLUSIVE GREEN FINANCE (IGF) - LINKING GREEN FINANCE AND FINANCIAL INCLUSION

The links between climate change and environmental degradation, vulnerable groups, social inequity and tensions, and financial stability



SUPPORTING CLIMATE ACTION THROUGH FINANCIAL INCLUSION

IGF: ENABLING CLIMATE MITIGATION AND BUILDING RESILIENCE TO THE NEGATIVE IMPACTS OF CLIMATE CHANGE THROUGH FINANCIAL INCLUSION



SAVINGS (ESPECIALLY FORMAL)

Buffer against cost increases, diversifying risks, assist in accessing credit, accelerate recovery and reconstruction



CREDIT

Investment in low-carbon technologies, rebuilding and reconstruction, investments into more resilient housing and agriculture



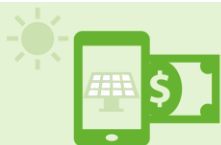
INSURANCE

Safeguard against the effects of extreme weather events and gradual climate change



PAYMENT SYSTEMS

Resilience in times of crisis, reconstruction and recovery, investments and buffer



DIGITAL FINANCIAL SERVICES

Enabling the spread and use of savings, credit and insurance, as well as humanitarian assistance after extreme weather events



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THE 4P FRAMEWORK OF INCLUSIVE GREEN FINANCE

PROMOTION policies allow a government to create incentives for the private sector to offer financial services to qualified beneficiaries.



PREVENTION policies aim to avoid undesirable outcomes rather than addressing them after the fact.

INCLUSIVE GREEN FINANCE



PROVISION policies help a government ensure that financial services are provided to qualified beneficiaries, either directly by the government itself or by private sector fulfilling government mandate.

PROTECTION policies reduce financial risk by “socializing” potential losses through insurance or social payments, or by giving exceptional access to one’s own assets.



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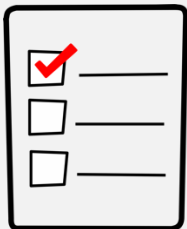
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From Theory to Practice



PREPARING FOR IGF IMPLEMENTATION

Policy Examples



Market-enabling policies
and initiatives for IGF
implementation

Fiji and Vanuatu:

- Integrating IGF in the market demand side survey


Papua New Guinea:

- Inclusive Green Finance Policy with green taxonomy


Maldives:

- Green Finance Taxonomy


IGF IN ADDRESSING CLIMATE VULNERABILITIES

Climate-related Risks	Policy Examples
 <p data-bbox="150 620 568 762">Typhoons and direct implications including floods and landslides</p>	<p data-bbox="633 361 871 401">Philippines:</p> <ul data-bbox="633 412 1804 765" style="list-style-type: none">- Updating of Business Continuity Management Guidelines to include disasters associated with natural hazards and pandemics- Relaxation of KYC requirements and account opening and maintaining balances- Use of digital payment infrastructure to facilitate social payments (G2P) and social aids from private groups.

IGF IN ADDRESSING CLIMATE VULNERABILITIES

Climate-related Risks	Policy Examples
 <p data-bbox="150 616 569 758">Typhoons and direct implications including floods and landslides</p>	<p data-bbox="633 358 763 398">Nepal:</p> <ul data-bbox="633 409 1806 556" style="list-style-type: none">- Refinancing facilities for subsidized loans to rebuild from floods and fires, modelled on a program that supported post-earthquake recovery and reconstruction

IGF IN ADDRESSING CLIMATE VULNERABILITIES

Climate-related Risks	Policy Examples
 <p>Cyclones and direct implications including floods</p>	<p>Fiji:</p> <ul style="list-style-type: none">- Establishment of the Disaster Rehabilitation and Containment Facility (DRCF)- Use of mobile money for social payments <p>Fiji, Papua New Guinea, Samoa, Vanuatu</p> <ul style="list-style-type: none">- Parametric insurance (ongoing development)

IGF IN ADDRESSING CLIMATE VULNERABILITIES

Climate-related Risks



Droughts

Policy Examples

Nigeria:

- Established the Anchor Borrower's Program to link smallholder farmers with large-scale processors
- Subsidies to incentivize bank lending to smallholder farmers facing climate risks
- Established the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL)

AFI's IGF JOURNEY



IGF: POLICIES AND REGULATION THAT AIM AT ENABLING MITIGATION AND BUILDING RESILIENCE TO THE NEGATIVE IMPACTS OF CLIMATE CHANGE AND ENVIRONMENTAL DEGRADATION THROUGH FINANCIAL INCLUSION

HOW HAVE AFI MEMBERS RISEN TO THE CHALLENGE OF CLIMATE CHANGE?



2015

AFI GPF in Maputo. First discussions on how financial inclusion can build resilience and enable mitigation.

2017

AFI members endorse Sharm el Sheikh Accord on Financial Inclusion, Climate Change & Green Finance

2018

Nadi Action Agenda endorsed at first financial inclusion conference

2018

First Maya Declaration on inclusive green finance

2019

4Ps of inclusive green finance inform national and global climate efforts

2019

Launch of the Inclusive Green Finance (IGF) Working Group

2020

Development of 8 additional IGF knowledge products

2021

Increase in IGF policy changes and several in-country trainings held

2022

Update of the Sharm El Sheikh Accord at the 2022 Global Policy Forum in Dead Sea, Jordan

2023

Focus on in-country implementation projects and ensuring IGF development on the ground

2023

IGF identified as the 2nd priority amongst AFI members

2024

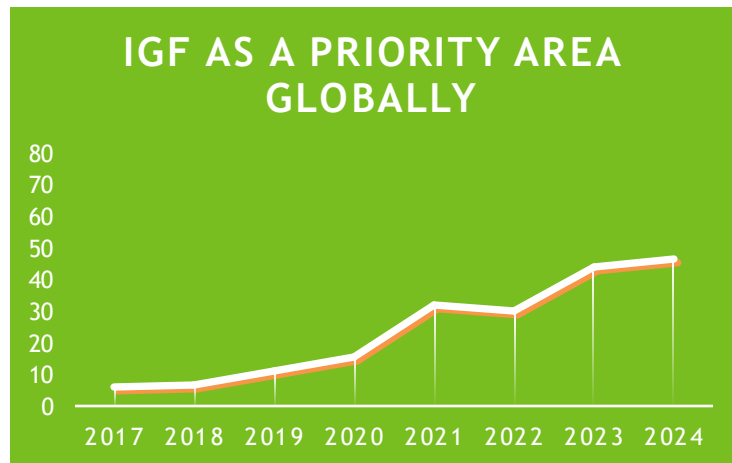
Next phase of IGF, focusing on impact in-country and global advocacy



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WHERE ARE WE RIGHT NOW?



27 (15)

Policy
Changes



19

MDCs



67

IGFWG Member
Institutions



60

IGFWG Member
Countries



14

Knowledge
Products



448

Regulators
trained



12

ICI grants



11

ICI TS



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ON-GOING IGF INITIATIVES IN 2025



IGF Working Group
(IGFWG): 22-25 April



IGF Public/Private
Dialogue at Spring
Meetings



Global Policy
Forum: September



IGF Conference and
IGF Global Compact



On-going capacity
building and in-country
trainings



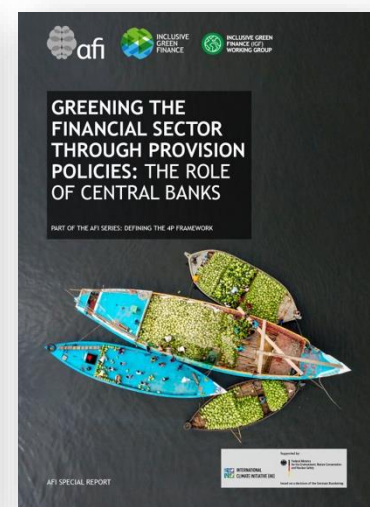
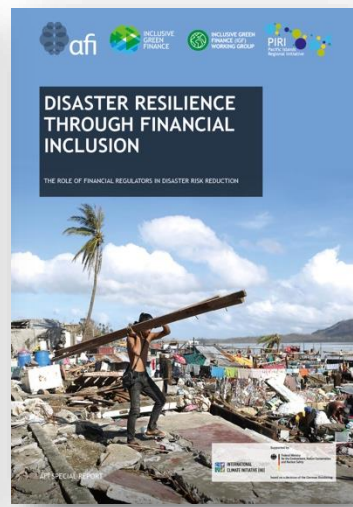
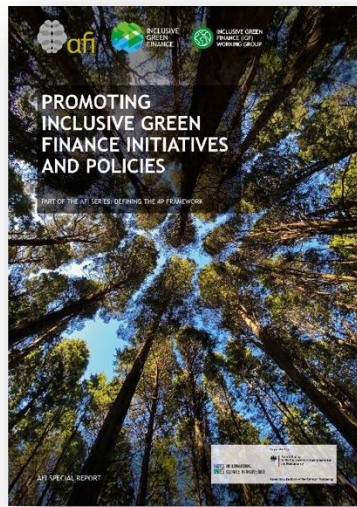
In-country
implementation support

THANK YOU

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IGF & IGFWG PUBLICATIONS



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