

INCLUSIVE FINANCE

IN THE FIGHT

AGAINST CLIMATE CHANGE

What role can inclusive finance play in the fight against climate change?

In addition to supporting economic development through financial intermediation activities, microfinance institutions (MFIs), and especially savings and credit cooperatives, have always maintained a social concern for the development of their communities and the welfare of their clients. Sensitized by the challenges of climate change, MFIs can improve their environmental performance and play a role in climate change by adopting green strategies and service offers. In this way they can support progress towards several Sustainable Development Goals (SDG) established by the United Nations.



DID SUPPORTS MFIS IN THEIR STRATEGIES TO FIGHT CLIMATE CHANGE

The expertise and toolkits developed by DID in recent years have helped a large number of MFIs articulate strategies designed to mitigate climate change or adapt to it.

STRATEGIES	TYPES OF MEASURES
Policies on environmental and social responsibility (E&S)	adaptation and mitigation
Reducing MFI internal ecological footprints	mitigation
Managing environmental and social risks	mitigation
Green finance products and services	adaptation and mitigation

DID GREEN FINANCE OFFER

GREEN FINANCE COMPONENTS

The effectiveness of DID interventions in the fight against climate change is based on several components

- FINANCING**
- TECHNOLOGY**
- COMMERCIALIZATION**
- EDUCATION**

PRODUCTS AND SERVICES

When offering "greener" savings, credit and insurance products, MFIs contribute to transforming the behaviour of individuals and the practices found in the businesses and communities they reach.



Sectors of intervention

energy efficiency waste management
green technologies recycling
 forestry clean water
 renewable energy **Agriculture**

DIVERSIFIED INTERVENTIONS

IN THE FIGHT AGAINST CLIMATE CHANGE

GENDER EQUALITY FOR THE FIGHT AGAINST CLIMATE CHANGE

Women, often the most vulnerable segment of the population, are also the most exposed to the risks related to climate change. DID experts are careful to formulate recommendations that take into consideration the daily concerns of women and put forward gender sensitive activities.

For example, by targeting certain agricultural value chains where women are highly active, DID helps them adapt their crops to climate change and integrate eco-responsible modes of production. In other situations, DID supports its partners in developing green financial products designed more specifically for women.



Photo: Marie Claire Duguay, Sri Lanka

ENVIRONMENTAL POSITIONING PLUS ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

DID has assisted numerous MFIs in outlining their positions for the fight against climate change by supporting them for the development and implementation of:

- their policies on environmental and social responsibility (E&S),
- their strategy aimed at reducing their own internal ecological footprint,
- E&S risk management of their clients (the indirect activities of these clients being those that generate the most environmental impacts for MFIs).

ENERGY EFFICIENCY

In Paraguay, in collaboration with Canadian firm Econoler, DID has assisted Fundación Paraguaya, a local MFI, to set up an innovative green financial product that encourages clients to purchase induction stoves which are more ecological, efficient and safe than the gas or coal stoves still in wide use in the country.

Result: By the end of the pilot project, 383 women had turned to induction cooking, thus generating annual savings of 83 million Paraguayan guarani, or nearly CAN \$18,000, along with a decrease of 75 metric tons of CO2 emissions - equal to taking 14 automobiles off the roads! And this is only the beginning, because the success of the pilot project encouraged the deployment of the initiative throughout the country.

AGRICULTURE

In numerous countries, DID has taken part in agricultural and rural development aimed at giving men and women farmers better access to financial services and local coaching on production techniques. DID has thus assisted them in diversifying their production and adopting practices that better respect the environment in addition to boosting yields and food security for the entire population.

In Burkina Faso, with financial assistance from the International Development Research Centre (IDRC), DID is carrying out a research project which aims at demonstrating that access to adapted financing encourages the expansion of agricultural innovation and adoption by smallholders of crop production methods that bring better yields and are more environmentally friendly.

MOBILE SOLUTIONS AND INTERCONNECTIONS

FinTech allows MFI clients to carry out remote financial transactions and as a result reduce road travel and its related atmospheric pollution. In recent years, DID has helped MFIs in nearly a dozen countries introduce technologies for conducting mobile transactions and interconnected services.

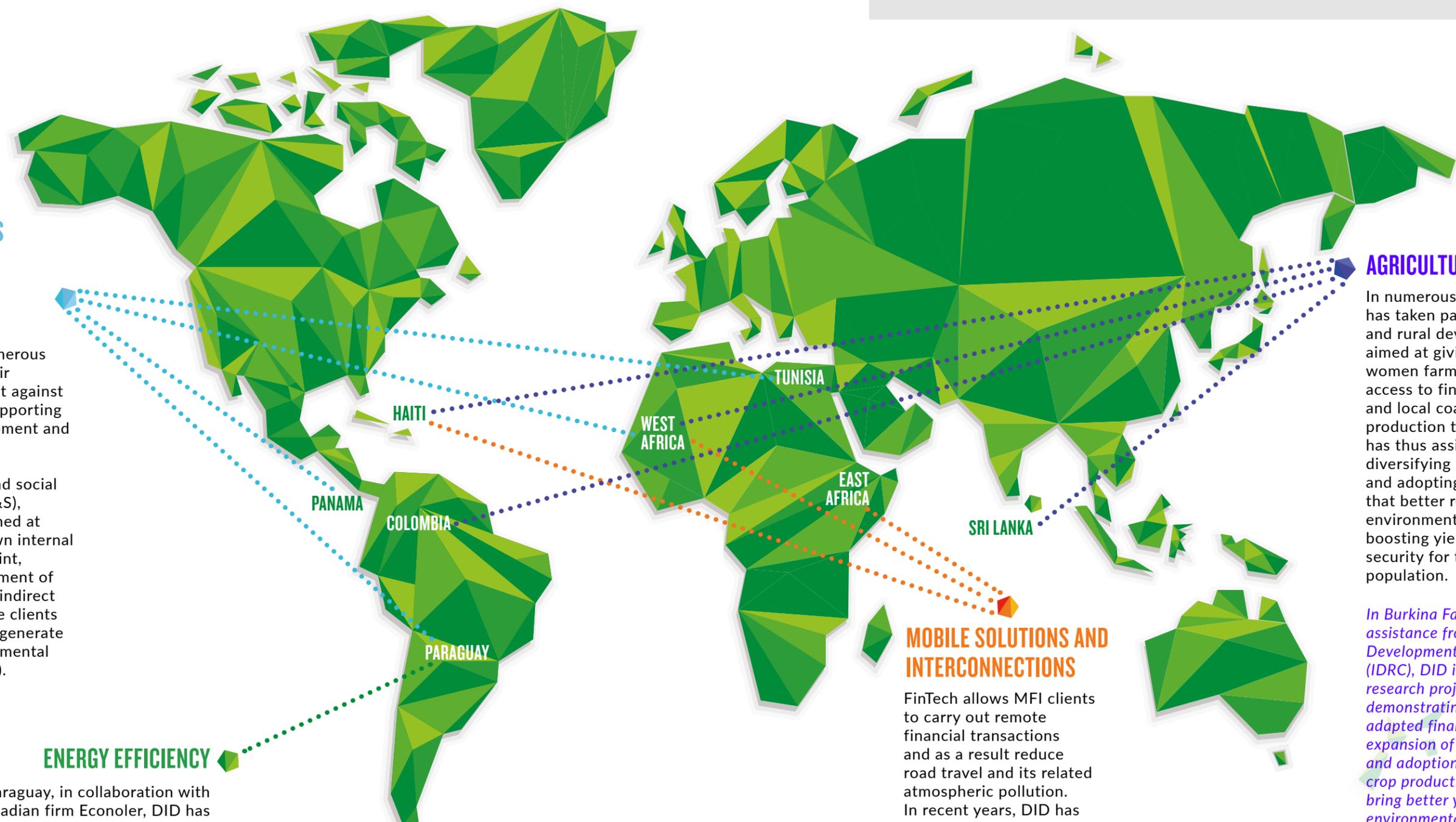




Photo: Paul Julien, Madagascar

Développement international Desjardins (DID) is a **world leader** in providing consulting and technical assistance services in the area of inclusive finance.

Our expertise is based on over one hundred years of experience acquired by the Desjardins Group, the leading cooperative financial group in Canada and the fifth largest in the world.

We take inspiration from best practices that have been tested in collaboration with our numerous partners for creating, expanding and strengthening financial institutions in developing and emerging countries.

Providing technical assistance, operating an institution or as an investor, DID is characterized by in-depth expertise in the following fields:

- Mobilization of savings
- Agricultural Finance
- Technological Solutions
- Financial Surveillance
- Risk Management
- Gender Equity
- Financing for entrepreneurs
- Social Performance
- Governance
- Training and Capacity building

Firmly focused on the future, DID draws on its talented staff to expand access to financial services for populations in developing countries. Together we are building the future. That is our ultimate goal.

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