



Frankfurt School
UNEP Collaborating Centre
for Climate & Sustainable Energy Finance

European Microfinance Week 2014

Climate change:

Risks and opportunities
for MFIs

Luxembourg, 13.11.2014

Current climate finance cooperations

Areas of interventions; e.g.:

- Colombia and Peru: *Microfinance for Ecosystem-based Adaptation (MEbA)***
- Nepal and Ethiopia: *Climate finance solutions to improve sustainability of MFIs*
- Tajikistan: *Irrigation finance*

Different interventions, but similar objectives; e.g.:

- Assist mainly rural population (depending on ecosystem and most vulnerable to CC)
- Reduce risks and limit future loan losses by stabilizing the repayment capacity
- Explore opportunities of growth for MFIs
- Comprehensive approach (e.g. combine adaptation with clean energy solutions)
 - Improve sustainability of MFIs

** Partner-MFIs:

Colombia: Bancamia, Contactar and Crezcamos

Peru: Fondesurco and Solidaridad

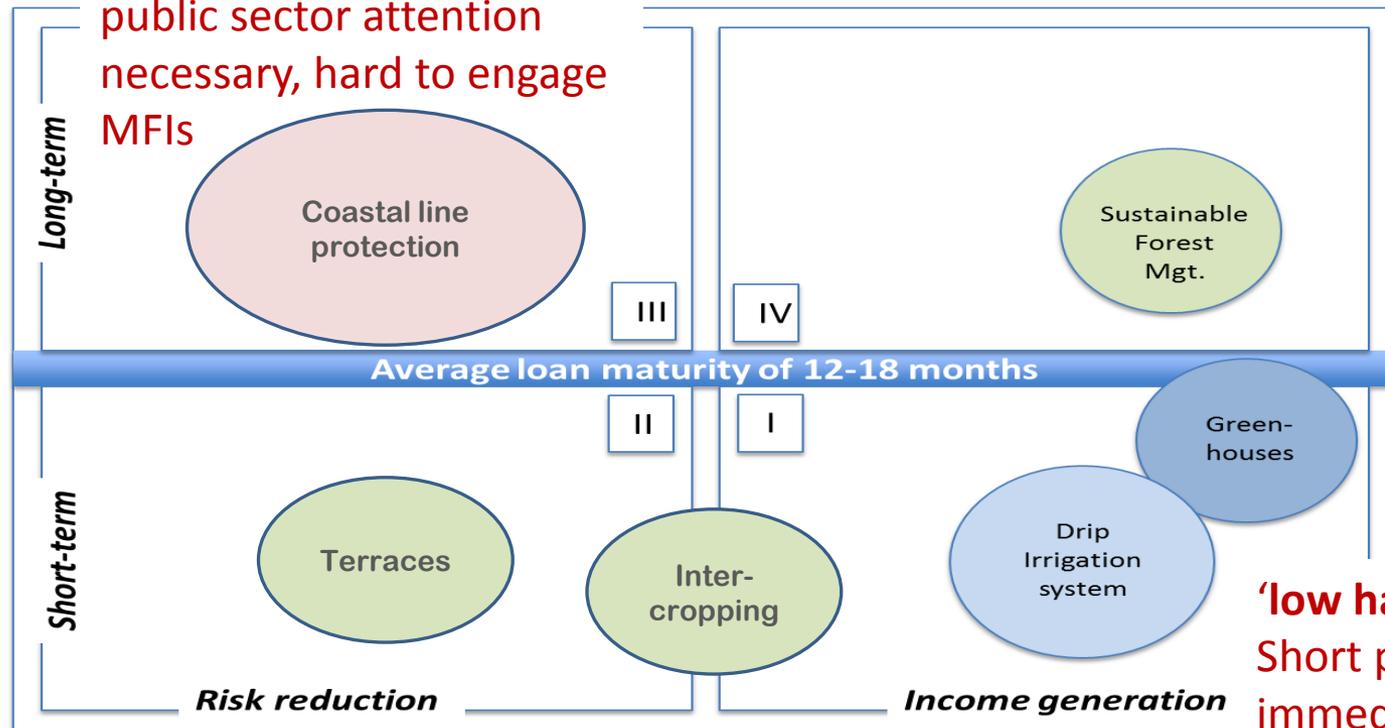
Microfinance for Ecosystem-based Adaptation

MEBA-options (www.pnuma.org/meba)

- To reduce disaster risks and increases the resilience of farming activities
- Small landholders' yields are expected to be more stable and in some cases increasing
- MEbA measures can differ from underlying agri business; e.g. in terms of:
 - High capital intensity (in case of asset investment), required 'long-termism' and
 - Influence on cash flow generation

Clustering the adaptation / eba options

'high hanging fruits':
with long-term focus, high public sector attention necessary, hard to engage MFIs



'low hanging fruits':
Short payback period immediately increased household cash flow

Making use of adaptation / eba options

- Data access; e.g. climate conditions, client characteristics (e.g. crop-type, mgt. practices)
- Management tools to deal with data volumes and complexity
- Strategic alliances between e.g. MFIs and technical services providers
- Capacity building
- Loan terms may need to be adjusted (e.g. to agricultural seasons)
- Enabling framework conditions such as policy measures or regulations (e.g. credit lines)



MANY THANKS !!!

For additional questions, please do not hesitate to ask

Ms. Carola Menzel

Frankfurt School - UNEP Collaborating Centre
for Climate & Sustainable Energy Finance
Frankfurt School of Finance & Management gGmbH

<http://fs-unep-centre.org>
www.frankfurt-school.de

E-Mail: c.menzel@fs.de

Phone: +49 (0)69 154008-614

Fax: +49 (0)69 154008-670

