



CLIMATE RESILIENCE: STRATEGY & OPPORTUNITIES

Oxfam Novib & Triple Jump

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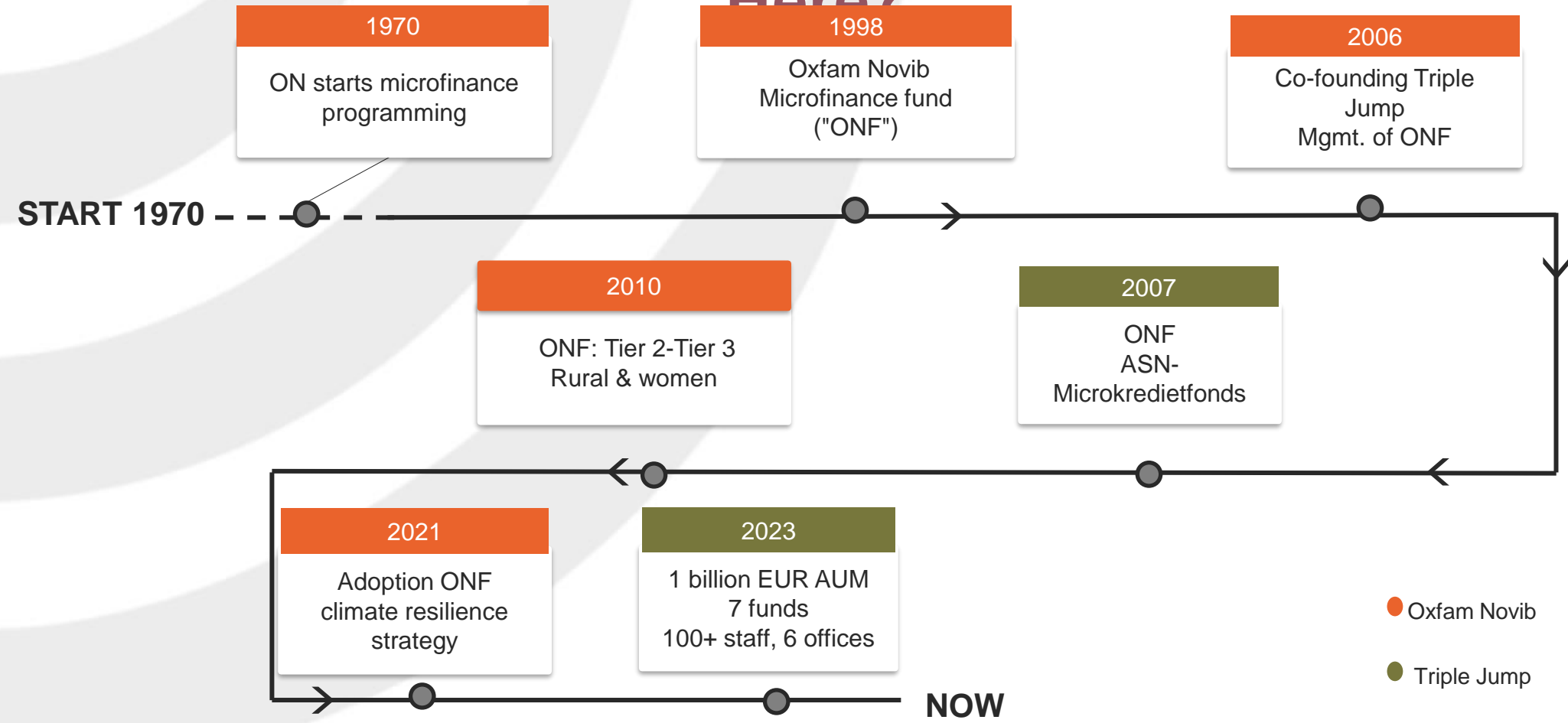
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Oxfam Novib And Triple Jump: How Did We Get Here?





Ice-Breaker



Climate change particularly hits developing countries and its impact is gendered



- Developing countries are the most affected by climate change-related disasters.
- Climate shocks further exacerbate existing vulnerabilities, such as poverty and inequality.
- Women are disproportionately affected by climate change.
- Rural households & small-scale agricultural producer's vulnerability is exacerbated by climate change disasters.

MFIs are affected by climate change. They have been absent in climate finance despite their potential



- Climate change disasters affect client's repayment capacity and MFI's stability:
 - Deterioration in portfolio quality, run-on savings, and increased claims on existing insurance products. This affects MFI's liquidity and reduces new funding possibilities.
 - Disasters might impact MFIs by destroying/damaging their assets and harming their staff.
- MFIs serves the most vulnerable groups in climate disaster prone areas, but MFIs have been absent in climate finance.
- Most MFIs are not yet aware of their potential as resilience builders against climate change.

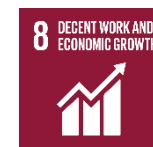
ONF new strategy: Climate resilience & Financial inclusion

MISSION

To support vulnerable people's recovery and resilience by providing finance to financial institutions to mitigate climate change related risks, serving them with adapted products and services while making a long-term social and financial return.

OBJECTIVES

- Strengthen resilience given the increasing (direct and indirect) impacts of climate change.
- Deliver risk finance in case of sudden and slow-onset disasters, and for longer term adaptation processes; catalyzing climate resilience for the most vulnerable: women, rural borrowers, and small-scale food producers





ONF new strategy: Pre and Post Climate Disaster Finance, Grants and Influencing Activities

Credit Lines:

1. Senior and subordinated loans to MFIs in climate disaster-prone areas.
 2. Patient senior and subordinated loans MFIs recovering from climate disasters.
 3. Spurring innovation by seed funding new and early-stage technology and approaches developed by MFIs to strengthen client's resilience. To be scaled with Credit Line 1.
- Grants: MFIs in the portfolio can benefit from grants to build MFI's risk management capacity and to develop new innovative products and services.
 - ONF will influence various stakeholders to change the perception that microfinance does not contribute to climate change resilience.

Products and services contributing to FIs' climate resilience



Financial

Blended finance

Credit lines

Mezzanine Instruments (e.g. sub debt)

Risk transfers approaches



Non-financial

Assess FIs' exposure to physical and transition risks

Accompany FIs and actors in the value chain implementing adaptation and mitigation strategies

Train FIs' staff in using the conduct climate risk assessments

Products and services contributing to clients' climate resilience



Financial

Insurance, Savings

Emergency loans

Access to clean energy

Agri loans: drought resilient crops, agro-ecology, assets, micro loans to smallholders

Enabling finance for migrants and refugees

Resilient buildings / restoration of dwelling



Non-financial

Assess SMEs clients' vulnerability

Awareness raising

Building market linkages and social networks

Early warning systems

Financial Literacy

Training on adaptation strategies, digitalization, weather forecasting



Client's voice: SUMAC offers livestock loan and insurance





Client's voice: SAFCO develops a Climate Disaster Framework





Thank you

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