



2023 MCPI Annual Conference

# Reshaping Financial Services through Inclusivity, and Sustainability, Resilience

July 25-26, 2023

**Breakout Session:**  
*Increasing Resilience of  
Vulnerable Communities  
Through Green Inclusive  
Finance*



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# OUTLINE



- ADA microfinance NGO
- ADA green inclusive finance journey and related stakeholders
- Challenges and lessons learnt
- Next steps

**ADA,**  
 expert in inclusive finance,  
 driver of partnerships  
 and innovation...



...aims to strengthen  
 the autonomy of



YOUNG  
 ENTREPRENEURS



SMALL, FAMILY-RUN FARMS  
 AND FORESTRY BUSINESSES



VULNERABLE  
 HOUSEHOLDS

How?



BY DEVELOPING CUSTOMER-CENTRIC  
 FINANCING SOLUTIONS



BY STRENGTHENING TECHNICAL  
 AND ENTREPRENEURIAL SKILLS



BY FACILITATING MARKET ACCESS



BY ENSURING ACCESS TO BASIC SERVICES  
 (ENERGY, HOUSING, WATER, HEALTH, EDUCATION)

Intended  
 impact



IMPROVED  
 LIVING CONDITIONS  
 FOR VULNERABLE  
 POPULATIONS

# ADA microfinance NGO

ADA (Appui au développement autonome) is a **Luxembourgish, non-governmental organisation** that has been increasing **the autonomy of vulnerable** people in Africa, Central America and South-East Asia with **inclusive finance** since 1994, thereby contributing to achieving the Sustainable Development Goals.

ADA leverages its resources and expertise to **innovate**, support **local partners**, implement **technical support programmes**, give **investment advice** and **manage knowledge** to positively impact targeted segments of the population in a sustainable manner.

**ADA's activities focus on three main topics:**



**YOUTH ENTREPRENEURSHIP**



**AGRICULTURAL AND FORESTRY VALUE CHAINS**



**ACCESS TO BASIC SERVICES**

These activities take into account **three transversal themes**: aspects related to **climate change**, **gender issues** and the use of **digital technologies**.

ADA's programmes will:



Promote sustainable practices to adapt to **climate change**, protect the environment and limit greenhouse gas emissions. These measures include the introduction of climate-smart agriculture, the sustainable management of landscapes, land and forests, as well as the use of equipment which is energy efficient or powered by renewable energy.

**In a nutshell**

**ADA is a Luxembourgish non-governmental organisation that strengthens the autonomy of vulnerable people by leveraging inclusive finance to improve their living conditions.**

## ADA intervenes in three regions: Africa, Central America and South-East Asia



Other countries in which ADA is active:

### Africa

Burundi  
Cameroon  
Congo-Kinshasa  
Ivory Coast  
Ethiopia  
Ghana  
Guinea  
Kenya  
Madagascar  
Malawi  
Morocco  
Mozambique  
Uganda

### Latin America

Argentina  
Bolivia  
Colombia  
Ecuador  
Haiti  
Mexico  
Panama  
Peru  
Dominican Republic

### Asia

Azerbaijan  
Bangladesh  
China  
India  
Indonesia  
Kazakhstan  
Kyrgyzstan  
Myanmar  
Philippines  
Tajikistan  
Timor-Leste  
Papua New Guinea



# ADA green inclusive finance journey

## From green finance (2010-2018):

### - Peru (2 MFIS)

- ✓ **Project duration:** 2011- 2015
- ✓ **Loans disbursed:** 1379
- ✓ 82% of clients (Fondesurco) et 59% (Caja Huancayo) **decreased their energy expenses.**
- ✓ **MFIs earned new clients:** 52% (Fondesurco) 20-30% (Caja Huancayo)
- ✓ **Both MFIs continued offering green loans:** Fondesurco (200 clients per year), Caja Huancayo (35 en 2018)

### - Philippines (3 MFIs)

- ✓ **Project duration:** 2012-2016
- ✓ **Credit offered:** 2 to 9 months loans, 0 % to 18 % int. rate, no collaterals, PaR>30 0 %
- ✓ **Energy products:** 2500 solar lamps and solar fan to 2425 clients (initial objective: 600 for 6 IMF)

### - Tunisia (1MFI)

- ✓ **Project duration:** 2019-2021
- ✓ **Product development:** Solar water pump and irrigation system
- ✓ **Main indicators:** 80 loans of about 6400 € disbursed in the first 6 months.



 CAJA HUANCAYO



# ADA green inclusive finance projects



## To climate finance:

### - Central America (8 MFIs in 5 countries) phase 1

- ✓ **Project duration:** 2012- 2017
- ✓ **Objective:** development of inclusive financial products that do not harm the environment and, where possible, reduce the negative impact of climate change
- ✓ **3 new products developed :**
  - Energy efficiency credit
  - Environmental production credit
  - Micro-leasing

### - Central America (17 MFIs in 7 countries) phase 2

- ✓ **Project duration:** 2018- 2022
- ✓ **Objective:** development of responsible and inclusive finance aimed at jointly integrating social and environmental strategies to help the most vulnerable populations to have better living conditions and at the same time adapt to the consequences of climate change
- ✓ 19 projects developed in water and sanitation, agriculture, eco-tourism, green energy
- ✓ **1650 clients impacted and their families (58 000 people)**

# ADA green inclusive finance projects



## - Philippines (3 MFIs)

- ✓ **Project duration:** 2021-2024 (ongoing)
- ✓ **Objectives:** To increase the resilience of agriculture-based (and fisheries) micro, small, and medium enterprises (MSMEs) and urban communities facing the effects of climate change; To raise awareness regarding climate change effects and green finance among the low-income population and the member-MFIs of MCPI; To help the partner MFIs develop an adequate offer, including financial and non- financial services, to help their clients mitigate or adapt to climate change effects.
- ✓ **Results:** 8 model farms (1 to 1 coaching)
  - SICAP workshop 48 farmers and BK and RPMI MFIs staff
  - Greens TOT 5 K-Coop members who then trained 103 members
  - Green loan products adjustment/development (ongoing)

## - Inclusive Climate Finance for Communities in Asia-Pacific (ICCAP)

- ✓ **Project duration:** 2022- ongoing
- ✓ **Objective:** ICCAP aims to increase private sector financial flows to strengthen climate resilience, achieve low-carbon and sustainable growth, while being inclusive, affordable, accessible and socially just.
- ✓ **Expertise through partnership:** Implemented by the Stockholm Environment Institute (SEI) along with consortium partners Appui au Développement Autonome (ADA), Asia-Pacific Rural and Agricultural Credit Association (APRACA).
- ✓ **Funded by** the International Climate Initiative (IKI), of the German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV).





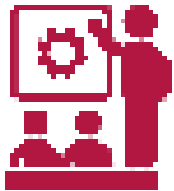
# CHALLENGES

...



- Working with **new partners** and on **new topics**
- Coordinating **multiple** and **diversified** stakeholders
- Using the proper environmental and climate **standards & impact measurement methods**

## ... AND LESSONS LEARNT



- Offering “green microcredits” is **not only about product diversification**, meaning investments are necessary;
- **Public policies** have to be considered (electrification plans, agricultural policies);
- Energy products are **not only for rural areas**;
- Building **efficient partnerships** with technology providers & capacity-building organizations;
- Investing in **product promotion** (peer exchanges, demonstrations);
- Considering **customer needs beyond environmental benefits** (economic argument first);
- Investing in **field staff** (awareness raising, incentives to compensate additional efforts);
- Adopting a **holistic approach** (awareness-raising, capacity-building, technology supply);
- Relying on a **diversity of actors** (everything cannot depend on MFIs);
- Considering the **complexity** of climate change & environmental issues (from a focus on agriculture to a landscape approach: agro-forestry, biodiversity)
- Including **various financing mechanisms** (climate finance, carbon credits, etc.)

# NEXT STEPS

less grants  
and more  
investments

support  
partners to  
be  
investment  
ready

Continue  
building  
capacity  
about  
climate  
finance



# THANK YOU FOR YOUR ATTENTION



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Suivez ADA sur 

 ADA Inclusive Finance



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