



## EUROPEAN MICROFINANCE WEEK

connecting the inclusive finance world

ada

### 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.

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**.

### 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**.

slido



**How many typhoons hit the  
Philippines in 2023?**

ⓘ Start presenting to display the poll results on this slide.

slido



**How many earthquakes happened in the Philippines in 2022?**

① Start presenting to display the poll results on this slide.

slido



**How many flood events happened in the Philippines in 2022?**

ⓘ Start presenting to display the poll results on this slide.

slido



**How many ladslides struck the  
Philippines in 2022?**

① Start presenting to display the poll results on this slide.

slido



**which are the 4 countries most affected by climate change in the last 20 years?**

① Start presenting to display the poll results on this slide.



### From green finance...

- ✓ **Main goal:** Access to energy
- ✓ **Project duration:** 2012-2016
- ✓ **Partners:** ASKI, PBC, PMPC (MFIs)
- ✓ **Energy products:** 2500 solar lamps and solar fan to 2425 clients

### to climate finance

- ✓ **Main goal:** contribute to environmental sustainability by supporting MFIs developing financial (and non-financial) products to help their clients to adopt climate-adaptive practices





# Integrating Green Inclusive Finance in Microfinance

## Experience from the Philippines



LE GOUVERNEMENT  
DU GRAND-DUCHÉ DE LUXEMBOURG  
Ministère du Développement durable  
et des Infrastructures  
Administration de l'environnement







## MCPI at a Glance

A national network of microfinance institutions and support organizations working towards sustainable, innovative, and client-responsive solutions to poverty in the Philippines.



**55 Regular Members**

**9 Associate Members**

## Categories of Members

**Banks (11)**



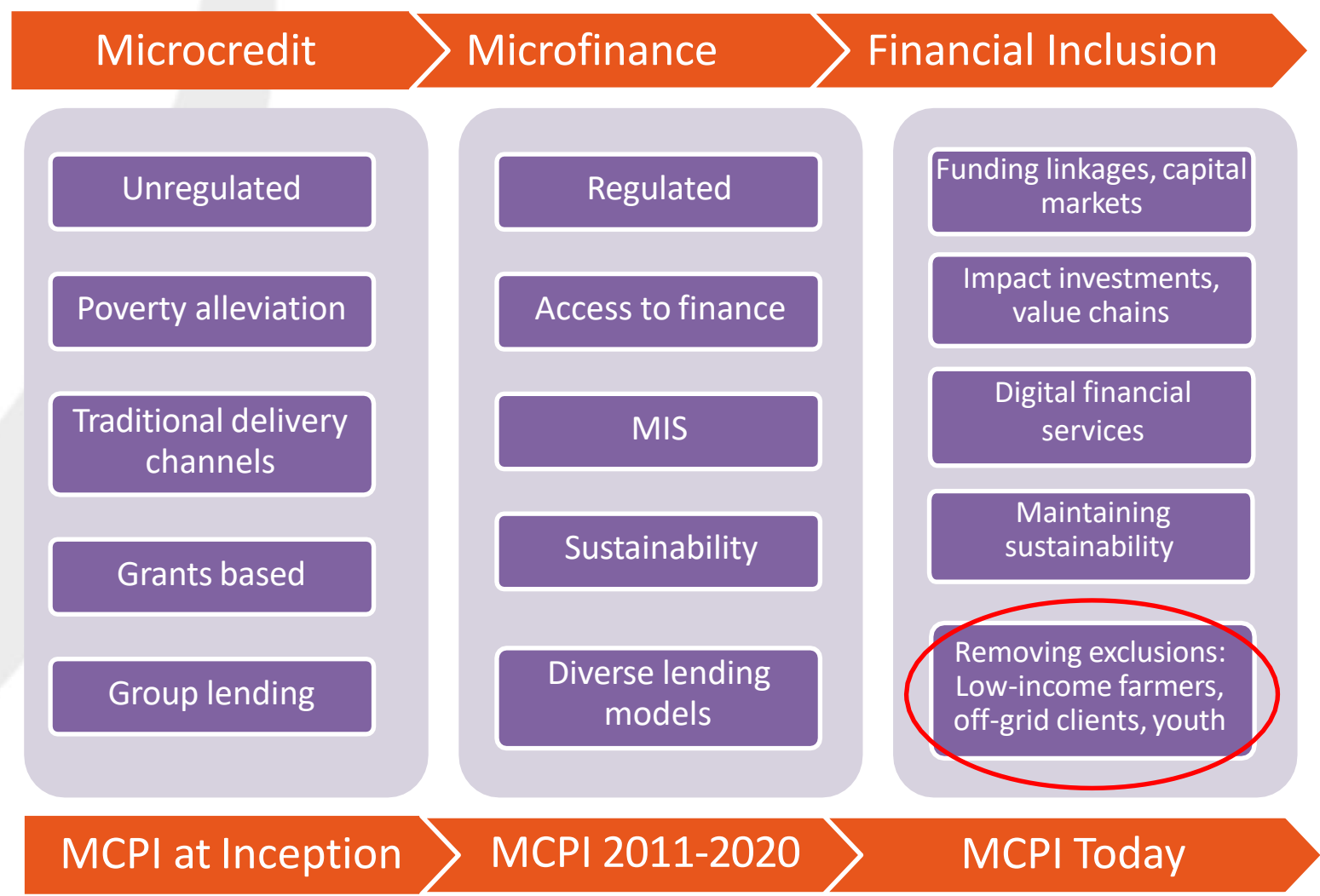
**MF NGOs (34)**



**Cooperatives (7)**



The sector  
landscape has  
changed  
significantly...



# MCPI Strategy on Environmental Sustainability

Capacity building  
of member-MFIs

Increased uptake  
on integrating  
green inclusive  
finance

Innovative, client-  
responsive, financially  
inclusive, and  
sustainable products  
and services for MF  
clients

## Background

- Started in 2013, focused on household-level energy access through solar technologies
  - More than 10,000 loans disbursed amounting to USD580,000 loan portfolio value from 2014-2019
  - 8 MFI partners
- In 2020, scaled-up the initiative to amplify impact and achieve higher resilience among the most vulnerable sectors

# Project Goal and Objectives



Environmental Sustainability







# Project Partners



# Project Components



Energy Efficiency and Green House Design



# Journey 2021-2023

2021

Project Inception



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## Journey 2021-2023

CLIMATE RISKS AND VULNERABILITY ASSESSMENT (CRVA), ENERGY USE BASELINE, AND ADAPTATION AND MITIGATION STRATEGY DEVELOPMENT FOR AGRI-BASED MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMES)

Prepared by: AGAFERCREATIVES

### Energy Efficiency and Climate Risks Assessment for Urban Housing

Microfinance Council of the Philippines Inc.  
JULY 2022

### Training Manual

### Growing Resilience, Energy Efficiency, and Environmental Sustainability (GREENS)

#### Informative Videos on Climate Change

The Green Inclusive Finance informative videos aim to increase awareness and understanding on the effects of climate change in key development sectors. The four short, independent but interrelated learning videos were designed to present climate concepts in a simple and visually engaging manner.

- What is Climate Change?** – This video defines climate change and explains how greenhouse gas emission and other human activities contribute to Earth's changing climate.
- Climate Change and its Effects on Agriculture** – This video shows how interrelated issues in the agriculture sector are worsened by extreme and unpredictable weather events due to climate change.
- Climate Change and its Effects on Urban Communities** – This video illustrates the different challenges brought about by climate change to people living in urban communities.
- Climate Change and GIF** – This video demonstrates how MCPI and its partner institutions work together in advocating and promoting environmental sustainability through the Green Inclusive Finance initiative.



## 2022

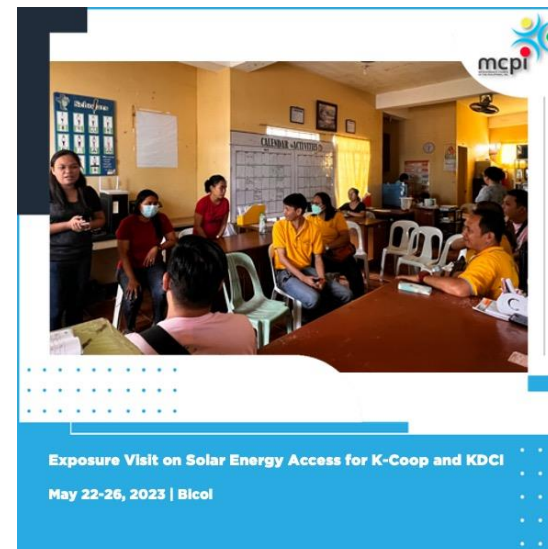
### Baseline Studies and IEC Materials



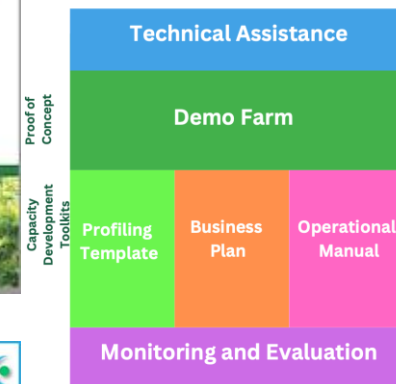
# Journey 2021-2023

2023

Training, IEC Materials, Green Models, and Green Loans



Sustainable, Integrated, and Climate Adaptive Practices (SICAP) Framework





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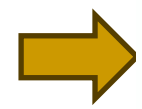
# Model Farm and Green Houses







EUROPEAN  
MICROFINANCE  
PLATFORM  
ADVANCING FINANCIAL INCLUSION



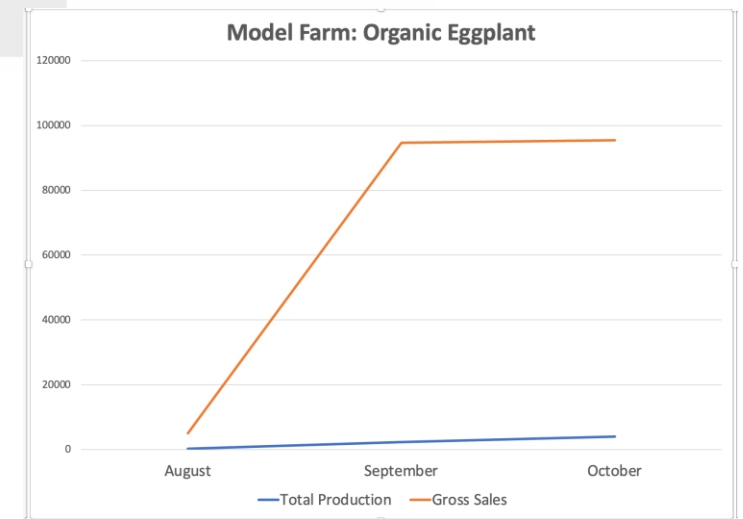
# Model Farm: Organic Eggplant



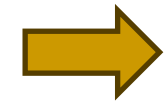
## PROJECTED INCOME SUMMARY







-  Production area : 8,000 SQ M
-  Planting season: June-Aug
-  Seedlings (# of plants): 26,000
-  Number of harvest: 205-30 harvests
-  Estimated kg/plant: 2.5 KG
-  Estimated yield/cycle: 65, 000

Projection	Average Price	Amount
Gross income	PhP20/kg	PhP1,300,000 (USD22,900)
Expenses		PhP359,510 (USD 6,300)
Ave net income	PhP20/kg	PhP940,490 (USD 16,500)



# Model Farm: Organic Tomato with Drip Irrigation system



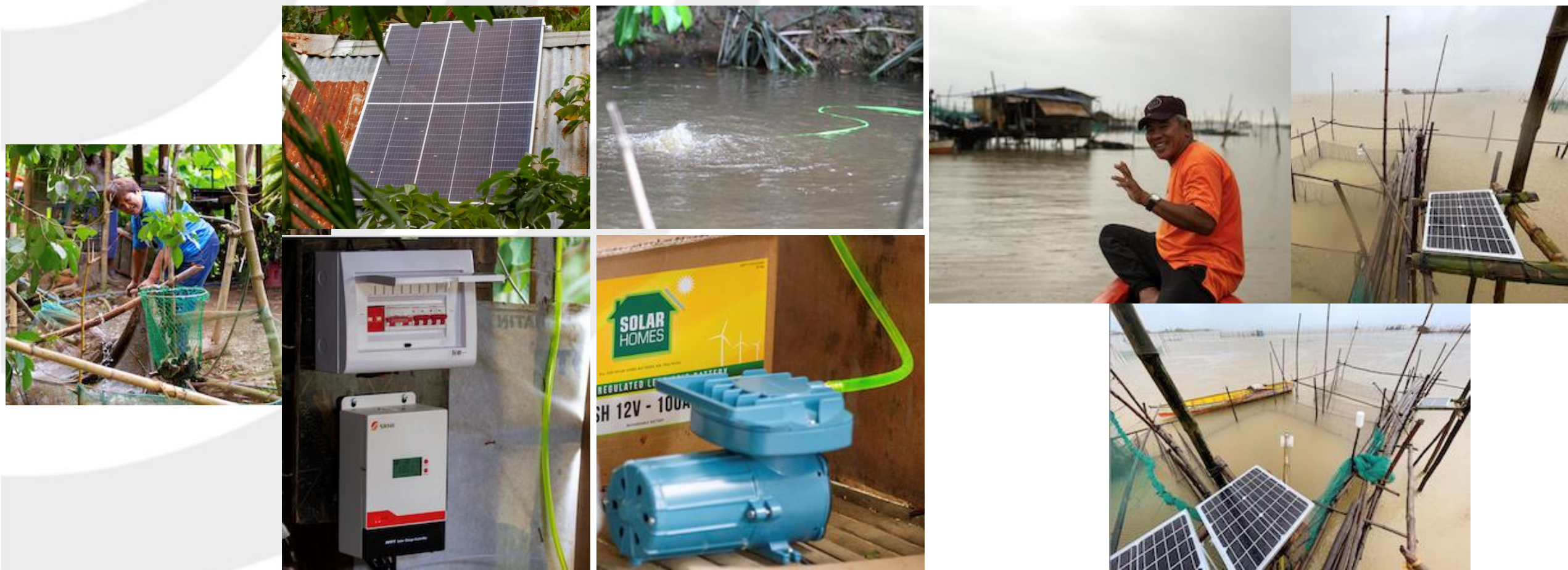
 <b>Production Area:</b> 2,500 sq m	 <b>Estimated # of Plants:</b> 7,637
 <b>Planting Season:</b> Jan-July	 <b>Estimated kg/ plant:</b> 2.5 kg
 <b>Number of Harvest:</b> around 25 times/days	 <b>Estimated Yield:</b> 19,093 kg



Projection	Average Price	Amount
Gross income	PhP30/kg	PhP572,812.50 (USD 10,000)
Expenses		PhP154,800 (USD 2,700)
Net income	PhP30/kg	PhP418,012.50 (USD 7,300)



# Model Farm: Fisheries with Solar Technologies Adopted





# Model House: Green Design

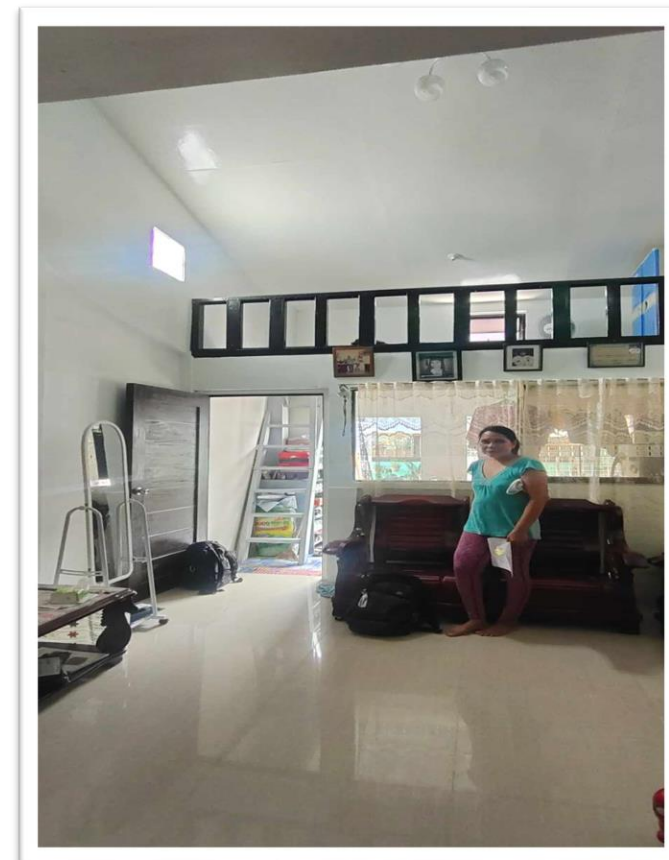
**BEFORE**



**DURING Construction**



**AFTER**





# Model House: Green Design



## Green Loan of MFI partners



- Sustainable ANI Loan (working capital)
- Sustainable Business Builder Loan (green technologies)

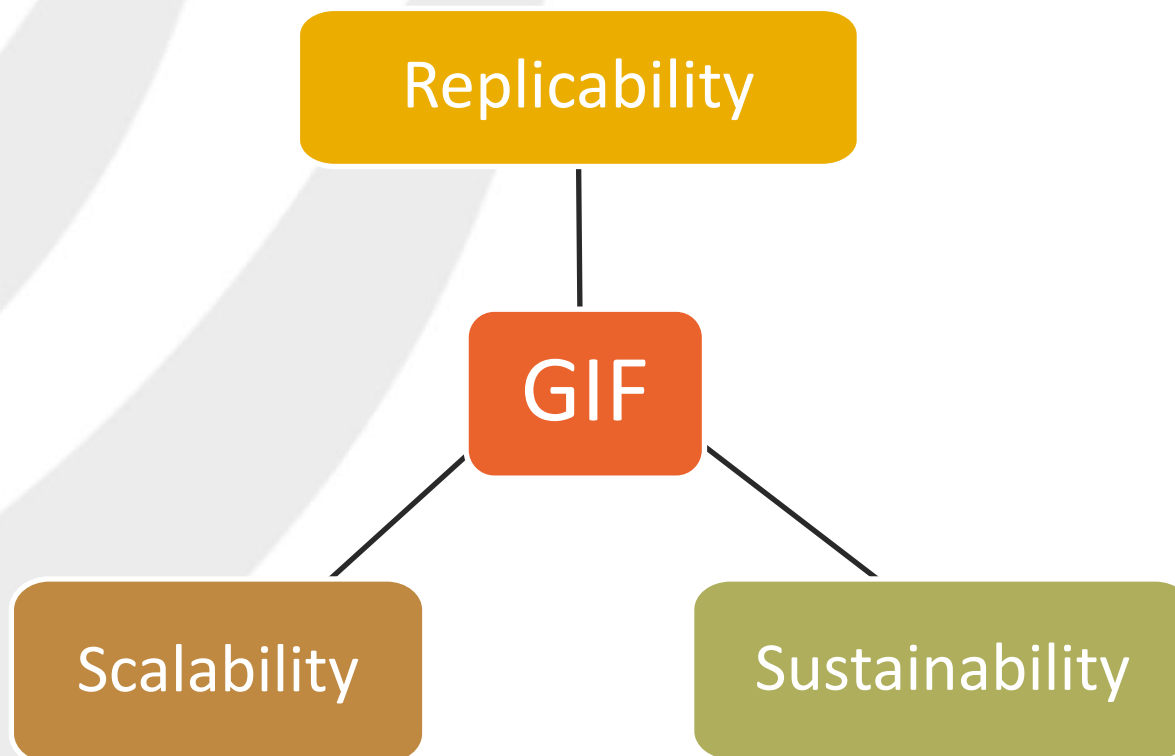


- Green Agri-development Loan Product
- Green Equipment Loan



- GREEnS Loan
- Solar Energy Access Loan

# Challenges: MCPI



## Challenges: MFI-Partners

- Limitation of a maximum of Php300,000.00 (=/ $\leq$ USD 5,200) aggregated loan per client
- Sustainability
  - Market readiness
  - Funding
  - Limited knowledge on climate change, mitigation, adaptation



## Challenges: MFI-Partners

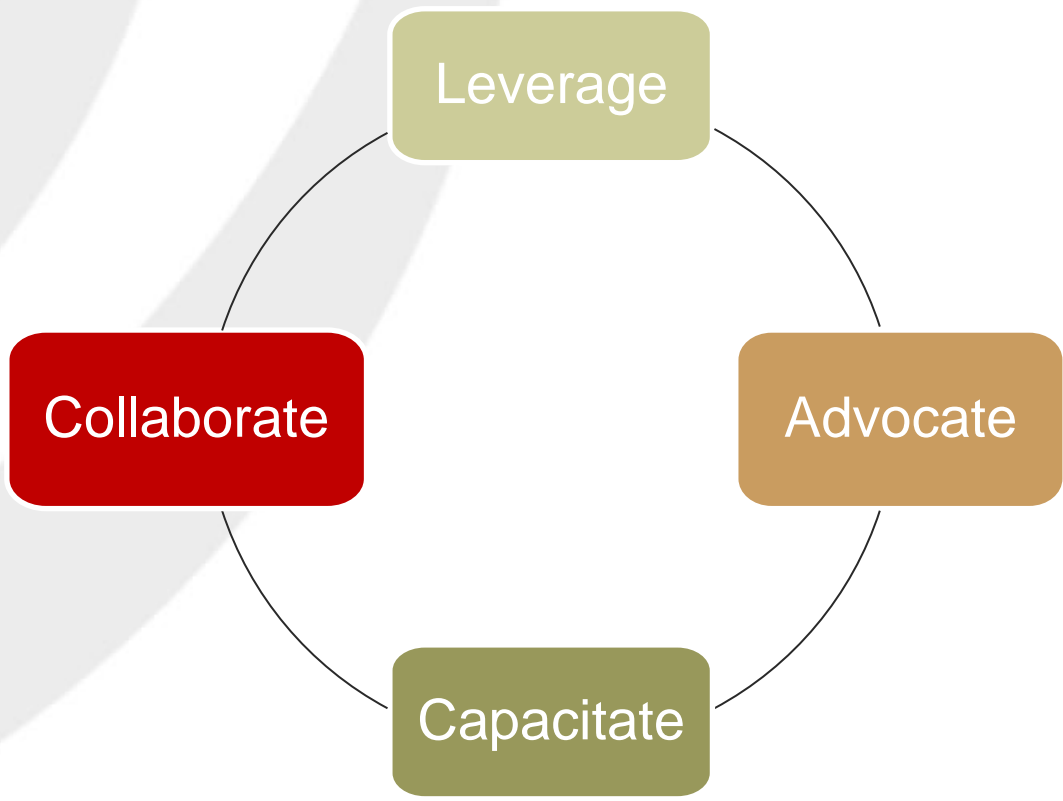
### Climate smart Agri-Financing

- Higher risk for agri-financing
- Adoption of new practice/technologies

### Green Housing Design

- Existing structure of relocation houses
- Limited space

# Next Steps: MCPI and MFI partners



## Next Steps: MFI partners

- Promotion of MFI green/sustainable loan products
  - Gradual/incremental loans > PHP300,000.00 (=/ $<$ USD 5,200)
  - Collaborate with other MFIs such as Rural Banks to address the limitation

## Next Steps: MFI partners

### Climate smart Agri Financing

- For MFI: Philippine Guarantee Corporation - Agriculture Credit Guarantee Program
- For clients: crop insurance from the Department of Agriculture
- Demonstration of specific green technologies/practices

### Green Housing Design

- Retrofitting of houses instead of new construction
- Adoption of energy efficient technologies



## Advantages of Engaging with a Network



- Efficiency as only one organization is being engaged with
- Provision of value-added service to member-MFIs
- Development of expertise
- Replication and scale up with other MFIs

**MFI**

- All materials and learning can be accessed at the network
- Easier access to peer learning
- Network team as mentors



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**Thank you!**



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