

# Effective financial inclusion policies, regulations and national strategies for promoting Inclusive Green Finance

10 November 2022

Virtual Meeting



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# Speaker



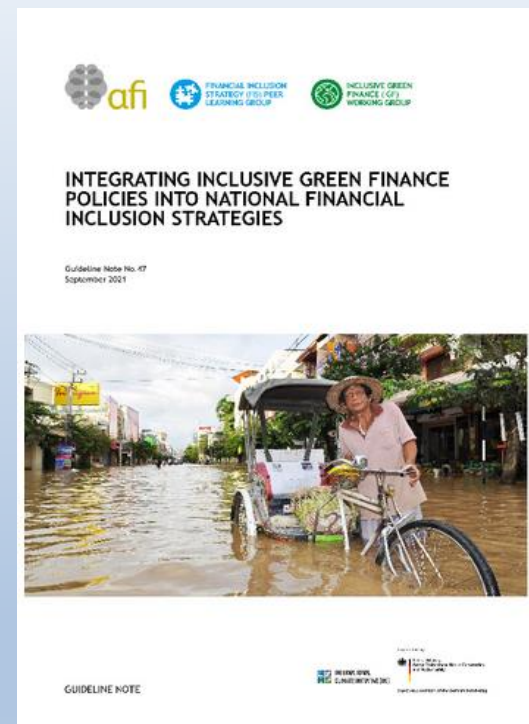
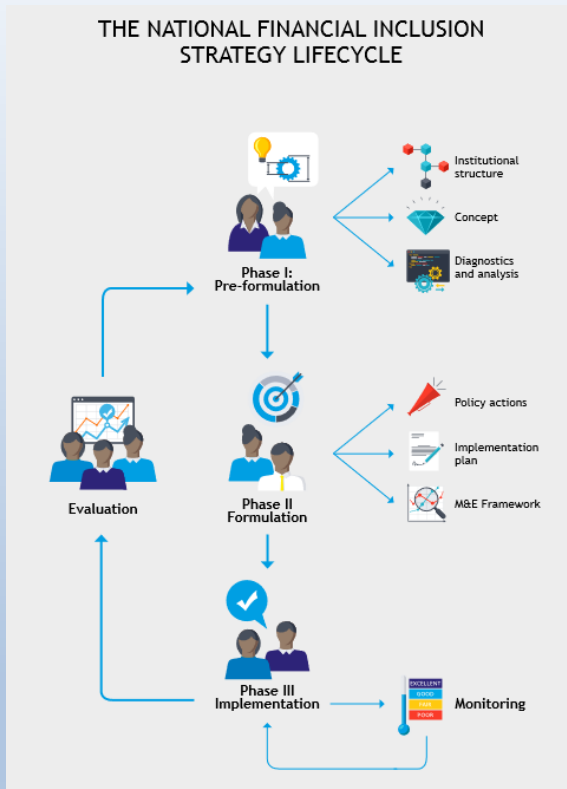
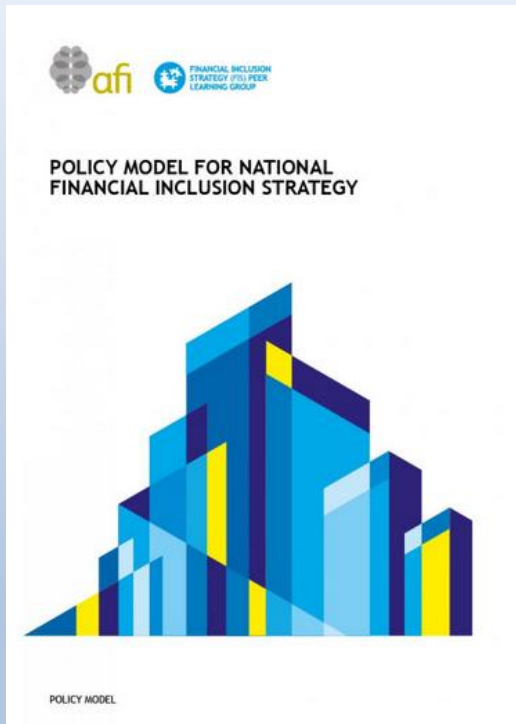
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Policy Manager, Financial Inclusion Strategy  
*Alliance for Financial Inclusion*



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# Positioning IGF Policies in your NFIS using the AFI NFIS Policy Model

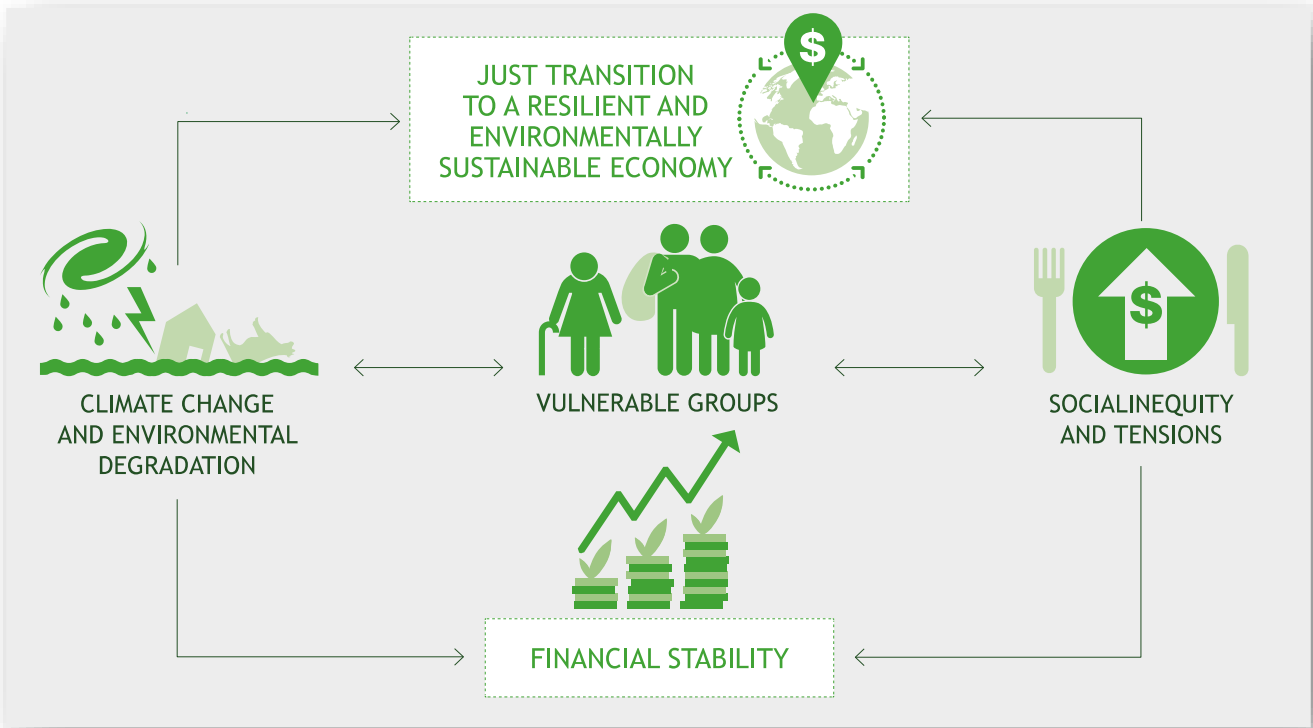


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# INCLUSIVE GREEN FINANCE: LINKING GREEN FINANCE AND FINANCIAL INCLUSION

The links between climate change and environmental degradation, vulnerable groups, social inequity and tensions, and financial stability



# SUPPORTING CLIMATE ACTION THROUGH FINANCIAL INCLUSION

## INCLUSIVE GREEN FINANCE:

POLICIES AND REGULATION THAT AIM AT ENABLING MITIGATION AND BUILDING RESILIENCE TO THE NEGATIVE IMPACTS OF CLIMATE CHANGE THROUGH FINANCIAL INCLUSION



### SAVINGS (ESPECIALLY FORMAL)

Buffer against cost increases, diversifying risks, assist in accessing credit, accelerate recovery and reconstruction



### CREDIT

Investment in e.g. low-carbon technologies, rebuilding and reconstruction, investments into e.g. more resilient housing and agriculture



### INSURANCE

Safeguard against the effects of extreme weather events and gradual climate change



### PAYMENT SYSTEMS

Resilience in times of crisis, reconstruction and recovery, investments and buffer



### DIGITAL FINANCIAL SERVICES

Enabling the spread and use of savings, credit and insurance, as well as humanitarian assistance after extreme weather events



# Challenges when integrating IGF in NFIS

## Building consensus

- Establishing an acceptable definition of IGF that can be used by all stakeholders → can be defined through a green taxonomy or other green policies.

## Coordination mechanism

- Stakeholder coordination depends on the alignment of policies and definitions used by other government ministries

## Determining IGF products

- Adopting criteria that will be used to describe and include IGF products from different financial subsectors

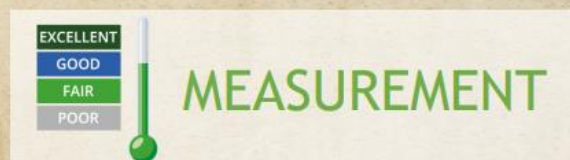
## Monitoring and evaluation

- Lack of data on climate change impacts, vulnerabilities, and green finance data
- Information gathered from sources: [the SDGs Knowledge Platform](#), [the UN Climate Change Learning Partnership](#), [the Climate Policy Initiative](#), [the Global Financial Markets Association](#), [the International Fund for Agricultural Development](#) and [AFI](#) improves understanding of national vulnerabilities and priorities on climate change mitigation and adaptation, and how IGF can be designed under NFIS.

“Greening” a NFIS

# IGF Policy FRAME Model

The composition of the FRAME model may be interlinked, cross-cutting or open-sequenced, depending on the member institution’s characteristics and preferences



# 1. FORMULATION

List, identify or plan your **diagnostic and formulation activities/plans:**



- > IGF-disaggregated data collection (including climate and financial vulnerabilities)
- > Review and alignment with existing environment and climate change policies, including complementary climate financial plans/ strategies:
- > Enabling financial inclusion policies or strategies
- > IGF barriers challenges and opportunities
- > Target group and sectors
- > Green taxonomy listing / green definition
- > Preliminary IGF vision and mission statement
- > Key IGF objectives and pillars aligned with IGF 4P policy framework
- > Identification of key stakeholders
- > Institutional coordination sensitization and structure plan



## 2. RESOURCE

What resources are required? **How are you planning to mobilize your resources and for what purposes** (human resources, capacity building, refinancing, national green budget, etc.)?



## 3. ACTION

What IGF-related action items (refer to vision/mission/objectives /pillars/ green taxonomy set out under Formulation) are foreseen for **short, medium and long-term** phases? Set timelines, if possible.



## 4. MEASUREMENT

When aligning your IGF objectives, set clear **measurable targets**. What measurement methodology and disaggregated indicators could be adopted in your organization? Segregate measurement indicators from both the supply side and demand side, if possible.

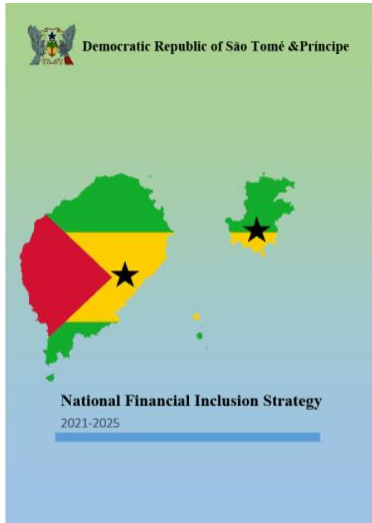


## 5. EVALUATION

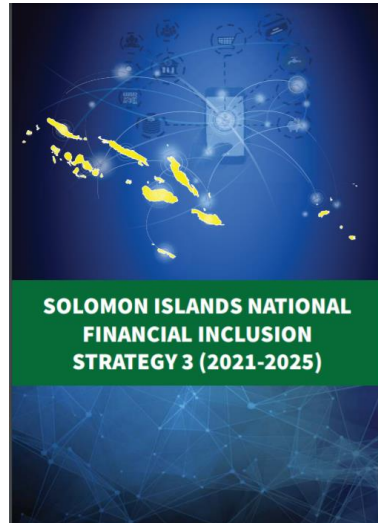
Align action deliverables and targets to **achievement of status results, means of verification and identify responsible agency/organization**.



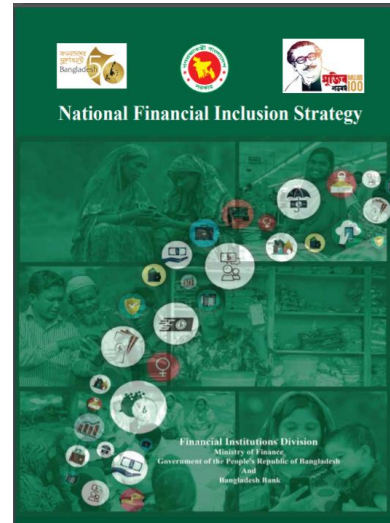
# Examples of countries that successfully integrated IGF in their NFIS



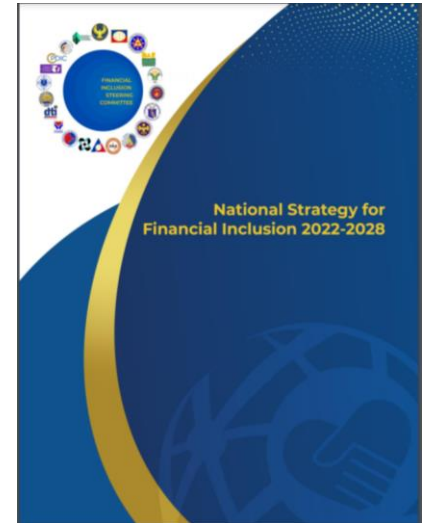
Sao Tome & Príncipe



Solomon Islands



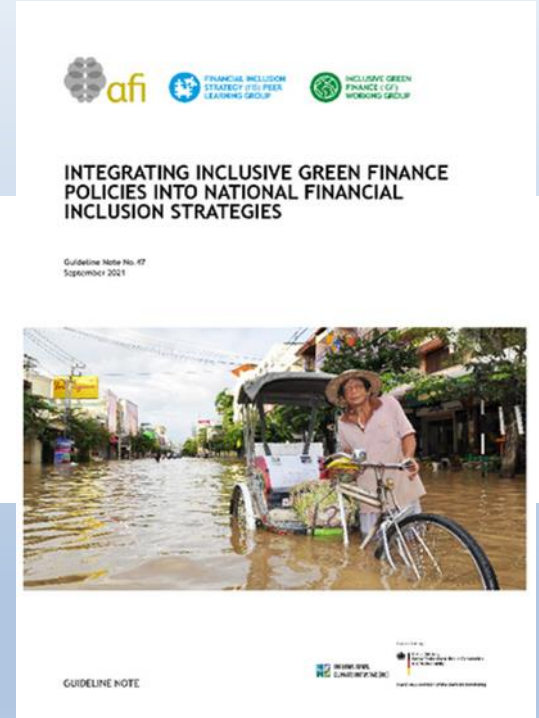
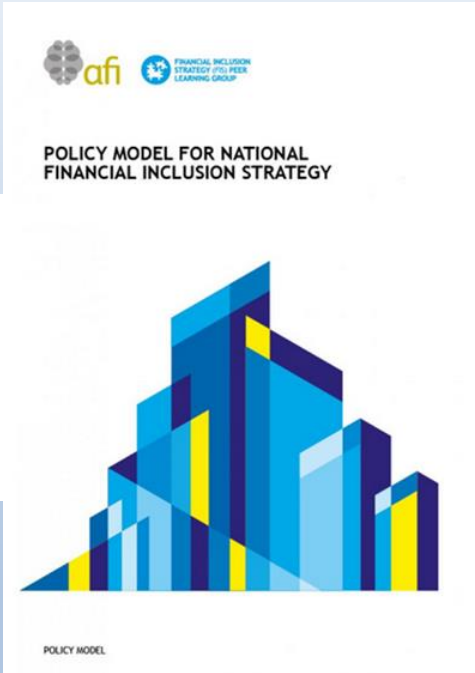
Bangladesh



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