

## SCALING CLIMATE ACTION THROUGH TECHNOLOGY AND INNOVATION BY SMEs

Under

Private Sector Investment Initiative for  
Nationally Determined Contributions(NDCs)  
in Africa

***FAPA-Funded***

***Private Sector Initiative for African  
Nationally Determined Contributions  
(NDCs)***



## African Development Bank

Climate Change and Green Growth Department(PECG)



natural eco capital

# Financial Structuring of SMEs Projects and Designing Bank Portfolios to Incorporate Climate Best Practices

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*At a Webinar on*

**Mainstreaming Climate Change in Lines of Credits of Financial Institutions**

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# Business Development Approach

## Mainstreaming Climate Change in Lines of Credits of Financial Institutions

- Institutional Strategy & Comparative Advantage
  - Define Investment Policy
  - Market Opportunity [Mitigation & Adaptation, Resilience]
- Identify & Analyze
- Pilot
  - Product [in partnership with DFI; donors]
  - Program [blended finance approach; leverage on “Build Back Better” momentum]
- Track, Measure & Analyze
  - Performance Monitoring & Review
- Build Capacity, Mainstream & Scale Up



# Commercial & Retail Approach

## Mainstreaming Climate Change in Lines of Credits of Financial Institutions

### Commercial

- Climate Exposed Economic Sectors:
  - Direct: Agriculture; Manufacturing; Trade; Tourism; Building & Construction
  - Indirect: Transportation, Real Estate
- Public Sector

### Retail

- Decentralized systems: Payments > +Savings > ++Credit
  - Agriculture
  - Trade

