

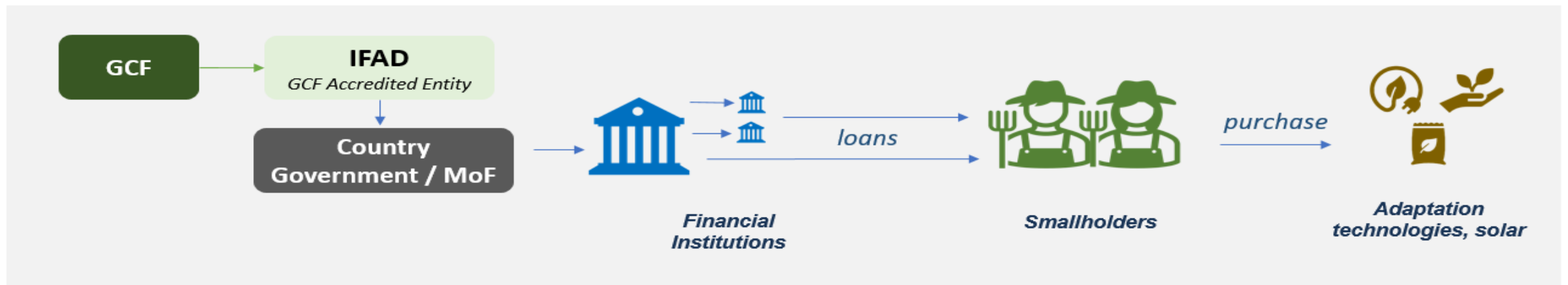
Inclusive Green Financing



Introduction – IFAD IGREENFIN Concept

Context: IGREENFIN inclusive green finance regional programme, promoted by IFAD as part of the Great Green Wall initiative

Objective: Build climate resilience through green credit lines supporting climate smart smallholder agricultural and water management practices



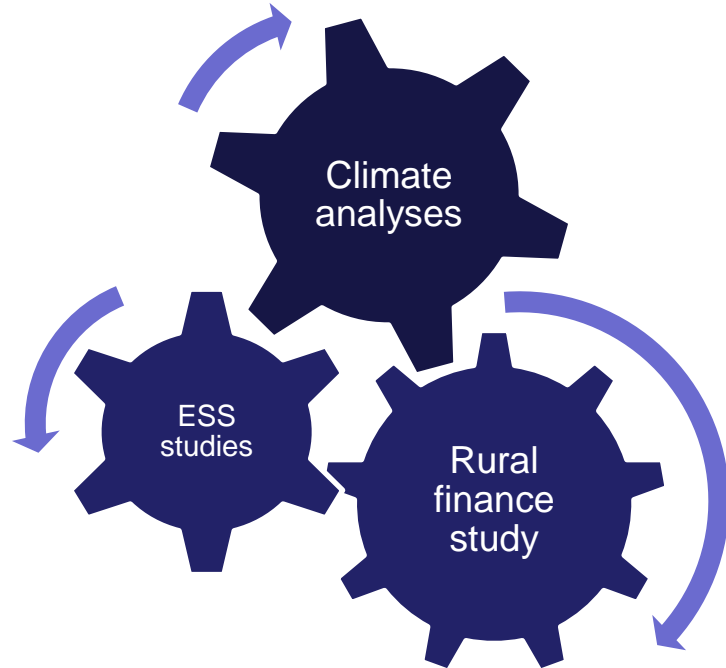
IGREENFIN will be funded by GCF. The funds will be disbursed by IFAD through the government in each eligible country

IGREENFIN will partner with National Development Banks, offering them highly concessional loans to be on-lent directly or through Partner Financial Institutions

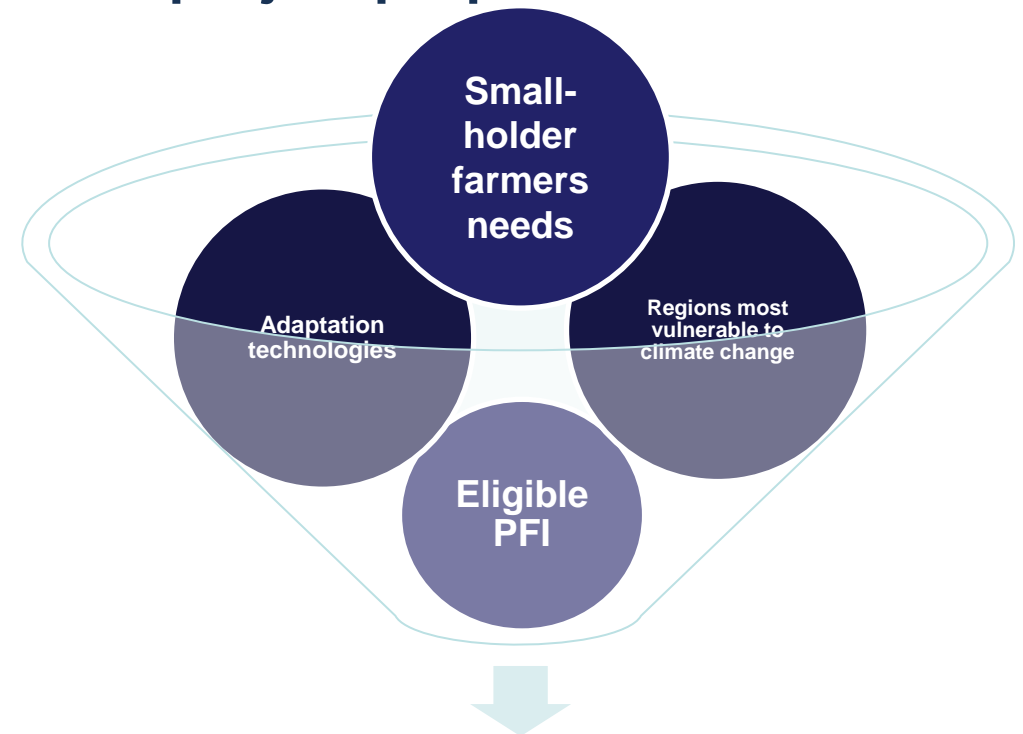
Beneficiaries are expected to use their loans to invest in climate adaptation and mitigation smallholder agriculture

Funding Proposal Development Methodology

Articulation climate / finance analyses - Three interconnected studies



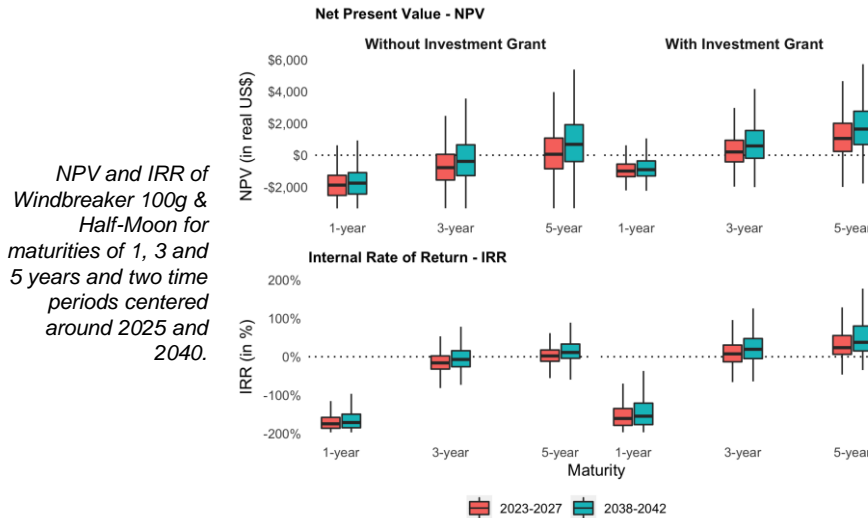
Objective: Develop IGREENFIN 2 project rationale to inform IFAD project proposal to GCF



Confirm the potential demand & supply for smallholder green finance in IGREENFIN 2 countries

IGF Methodology

Adaptation prioritization



Assessing the profitability of various adaptive approaches



**Financeable
climate adaptation
loan products**

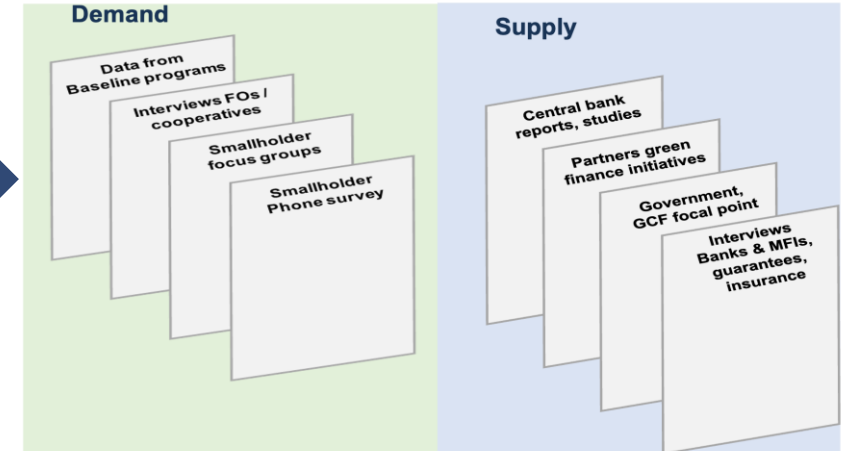
Past & future climate analysis

Crop suitability & yield projections

Decision-Making under Deep Uncertainty Method

Enabling a prioritisation of adaptation options for every crop and context

Adaptation & Mitigation loans



Demand analysis

- 1,500+ clients interviewed via focus groups/digital survey
- Affirmed client propensity to take adaptation loans
- Defined general terms/condition/price of loans and TA required for successful smallholder investment

Financial sector analysis

- Apex institution identified and good practice management/governance due diligence scan completed
- PFI identification and good practice due diligence scan completed
- Product and beneficiary market experience/potential assessed via senior management, policy maker, central bank, apex national expert institutions interviews.

Flow of Funds Structure

APEX (wholesale institution) acting as:

- i) Fund manager
- ii) Apex lender to partner financial institutions

Partner FIs (retail institutions) selected by a competitive process and assessed against:

- Market strategy and portfolio: geared to smallholder, agriculture, and green lending
- Good international practice management/ governance
- Credit worthiness and asset quality
- Absorption and targeting capacity
- Technical readiness
- Good international practices for client protection and social performance

