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**Exploring the Roles of a Microfinance
Beneficiary-Led Development Framework in
the SDG and Climate Change Domain**

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Climate Risk Management Challenges in Africa



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- Climate finance flows are determined in a “top-down” manner which sometimes fail to consider the multiple stressors which many communities have at local level.
- Scaling up and replication of existing climate interventions in developing countries, which have successfully mobilised private climate finance would be likely to result in a continued focus on mitigation interventions (Kato et al., 2014).
- Accounting for climate change induced Non-Economic Loss and Damage (NELD) impacts such as negative impacts on identity, agency and intrinsic values.

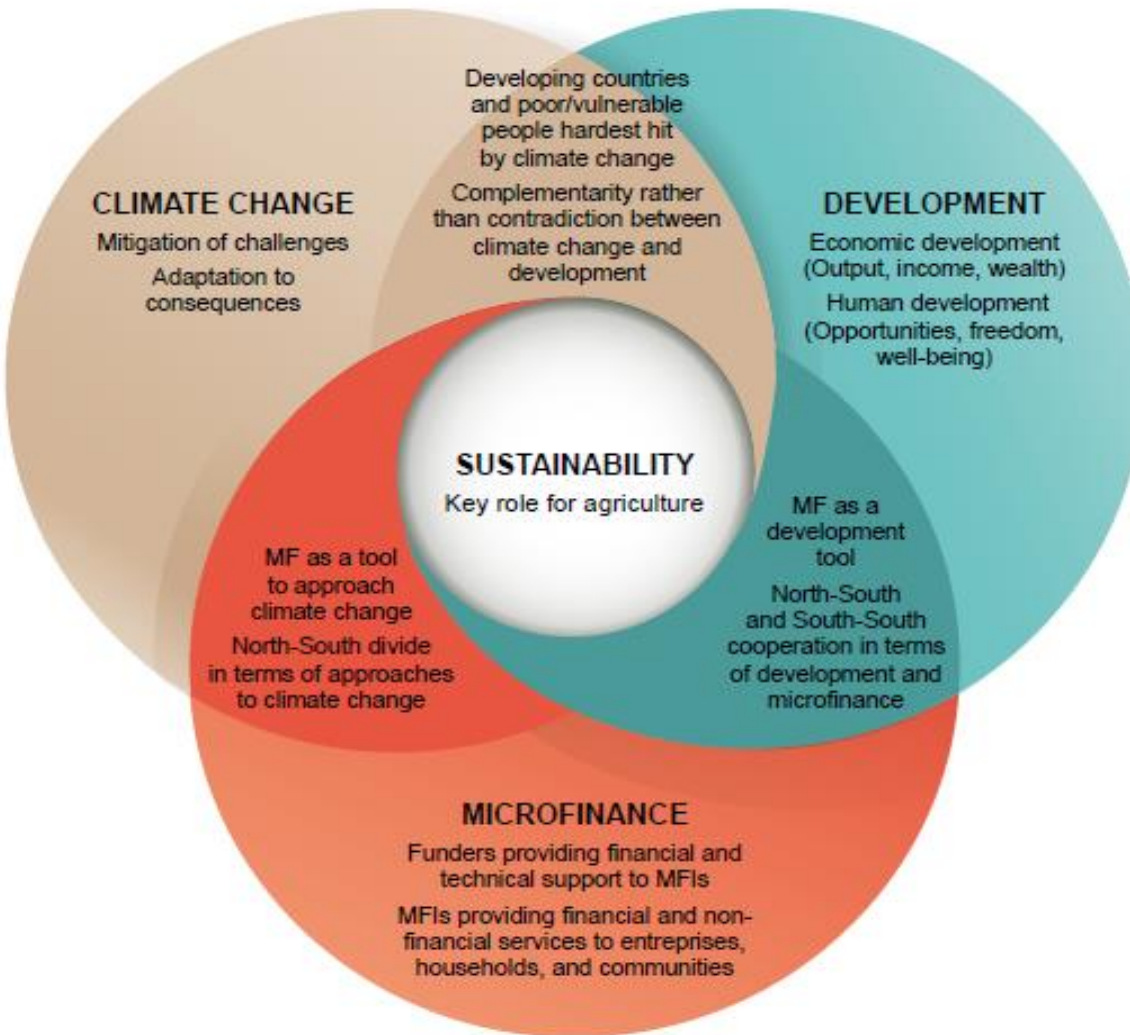
Enhancing the Climate Finance Paradigm



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- Investments, aid and funding from emerging economies (Brazil, China, Russia, India, etc.) to Africa is increasing (from less than US\$1 billion per year before 2004 to US\$8 billion in 2006, and by 2012 US\$20 billion) (Ubi, 2014).
- South-South Climate Finance takes four major forms: (i) developing countries' contributions to established multilateral funds; (ii) bilateral initiatives; (iii) new Southern-led international organisations like the 'BRICS bank' and the Asian Infrastructure Investment Bank; and (iv) private sector investments.

Non-State Actors and Climate Governance



Non-state actors (e.g. multinational corporations, SMEs, NGOs, cities, etc.) can be pioneers and drivers for climate change innovations (policies, financing instruments, strategies).

Figure 1: Climate change, development, and microfinance as interlinked domains

Source: ADA asbl, 2015

Polycentric Approaches to Climate Governance

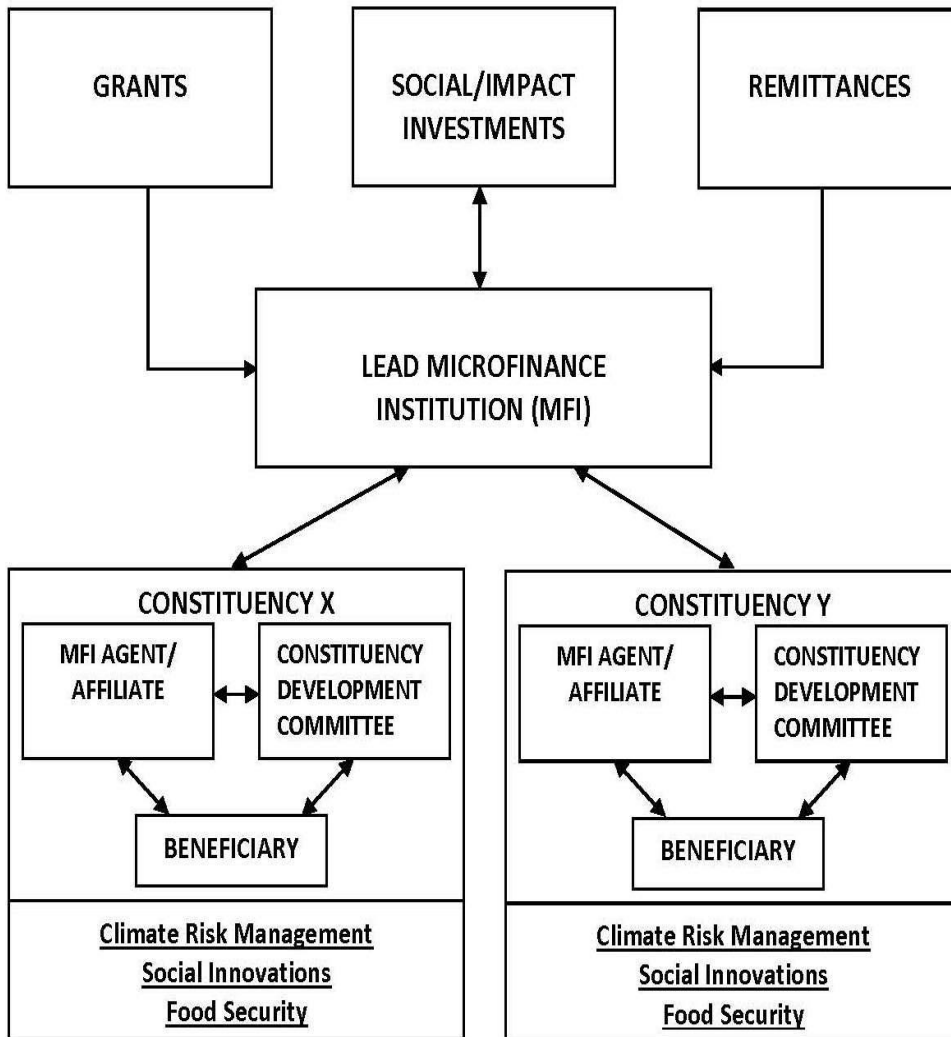
- Poverty, climate change and the over exploitation of natural resources can best be addressed through polycentric governance approaches (Ostrom, 2008; 2009; 2010).
- Climate change is a complex multi-level problem that would adequately be addressed by complex multi-level systems that are adaptable.



Figure 2: African rural livelihoods

Source: Own collection

Microfinance Beneficiary Led Development Frameworks (M-BLDFs)



Composed of multiple independent actors to

- understand specific, local, risk contexts and trends;
- provide appropriate information and **finances to businesses/the informal sector (SDG 8.3)** and households; and
- (iii) adapt in-order to constantly change to address errors and cope with new developments.

Figure 2: A Microfinance Beneficiary Led Development Frameworks (M-BLDF)

Source: Author

Concluding Remarks

- NDCs in Africa show that the top mitigation priority sectors are energy, agriculture, forestry and waste management; and the top adaptation priority areas are agriculture, water, health and biodiversity (Mbeva et al., 2015).
- Most risk management approaches typically assume that probabilities are known by all actors. However, climate change may disrupt traditional risk management because historical experience may no longer apply and knowledge of probabilities may be challenging to update (Thornton & Lipper, 2014).

Systems to produce accurate and easily updateable₈ data.

Thank you very much for your attention!!!

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