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“Resilience of agricultural systems against crises”

## Microfinance for Ecosystem-Based Adaptation to Climate Change (MEbA)

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### Abstract

The impacts from climate change and extreme weather events relate to not only on the changes and extremes themselves, but also on exposure and vulnerability they produce. Adaptation and adaptive capacity are therefore key concerns in climate change actions. The Frankfurt School–UNEP Collaborating Centre for Climate & Sustainable Energy Finance addresses in its work the financial dimension of climate change mitigation and adaptation. The project ‘Microfinance for Ecosystem-based Adaptation to Climate Change’ (MEbA) works to elaborate innovative financial instruments and mechanisms that will support vulnerable local communities, small land holders, farmers and other rural actors in the Northern Tropical Andes of Peru and Colombia in adapting to climate change.

The underlying concept of MEbA is to encourage Microfinance Institutions (MFIs) to invest in the resilience of ecosystems upon which these communities depend in order to secure and maintain their livelihoods. MEbA will try to connect two worlds of thinking and acting that are normally rather separate; the world of finance and the world ecosystem-based strategies.

MEbA proponents and MFIs will partner in the respective regions to include adaptation-related measures in their portfolio of financial services and products. Possible measures include sustainable land and water management, disaster risk reduction and establishment of diverse (and more resilient) agroforestry systems. In order to achieve these aims, vulnerabilities of targeted ecosystems and climate risks, the dependence of local populations on the health of these ecosystems for their wellbeing and relevant MFI portfolios will need to be identified and assessed.

Another essential concept of MEbA is that risk management and adaptation to climate change should be integrated into the MFI investment portfolios to reduce exposure and vulnerability in rural communities while at the same time increasing climate resilience. Increasing resilience and reducing vulnerability to climate change will also contribute to mitigation.

The presentation will facilitate a discussion about the crucial role of investments and funding in climate change mitigation and adaptation in both rural communities and MFIs. The resulting discussions will help to fine-tune the project activities and to incorporate relevant experiences of conference participants.

**Keywords:** Adaptation, agriculture, agroforestry, Andes, climate change, climate finance, climate risks, Colombia, disaster risk reduction, ecosystem-based, financial instruments, financial mechanism, microfinance, mitigation, Peru, resilience of ecosystems, smart