The theme for Financial Inclusion Week (FIW) 2022 was “Inclusive Growth in a Digital Era.” For years, financial products and services have been moving digital, and the pandemic further accelerated the trend toward digitalization. As digital becomes the new norm, we must ensure that these services are safe and inclusive of all people and do not exacerbate exclusion of marginalized and vulnerable groups. FIW 2022 explored how the global financial inclusion community can harness digital innovation to expand inclusive financial services for all people across the globe, ensuring that products meet customer needs, have appropriate safeguards in place, and contribute to inclusive economic growth.

FIW 2022 hosted 125 live and on-demand sessions, featuring nearly 400 speakers from around the world. With over 3,330 registered participants from 2,000 organizations and 146 countries, FIW 2022 was the largest event to date.

**WHY FOCUS ON CLIMATE**

Climate change is one of the biggest threats to humanity today. While climate risks impact all people, low-income and vulnerable people who have contributed the least to climate change suffer the most. Data estimates from the United Nations Development Programme indicate that by 2030, over 100 million people are expected to fall into extreme poverty due to climate change, and 200 million people could be displaced because of climate change events.

Financial services can play an important role in helping low-income and vulnerable people become more resilient by preparing for, managing through, and responding to climate-related events – such as droughts, floods, and hurricanes. Financial services can also help people adapt to longer-term stresses -- hotter temperatures, rising sea levels, and water scarcity. In addition, financial services can potentially support individuals needing to transition to new livelihood strategies if their current ones are no longer viable.

However, financial systems are not well-designed to help vulnerable populations manage and respond to the growing risks coming from climate change. The Center for Financial Inclusion (CFI) identified four impact pathways through which inclusive financial services can support low-income and vulnerable populations: mitigating impact, building resilience, supporting adaptation, and enabling transitions to new livelihood strategies.

**WHAT WE HEARD AT FIW 2022: KEY TAKEAWAYS**

1. **The impacts of climate change on low-income and vulnerable populations are complex and vary considerably.** For example, the fishing populations in the Philippines, low-income urban women in Gujarat, and refugees in Uganda are all negatively impacted by climate change but in different ways. Financial services have already started to support these groups, but much more is needed.

2. **Digital and financial literacy are focusing on the practical.** Learning from past mistakes, digital and financial literacy trainings are now combined with the delivery of financial services and focus on building skills over time. Classroom trainings have given way to WhatsApp, mentorship, and coaching. Still more needs to be done. In most markets, women (and men) rely on agents or others to assist in making transactions. Focusing on consumer protection, including weeding out deceptive design elements, is key to building digital and financial literacy as well as trust.
More work is needed to catalyze capital for green inclusive financial services and to ensure better impact measurement. While investors are committing funds to climate change mitigation, adaptation, and resilience efforts, much of this capital remains locked despite clear business cases and demand from beneficiaries. More data and a clear methodology to measure the intended impact are needed to unlock this capital and ensure the funds reach those in need.

Energy products are important in the context of climate change, but they need to be redesigned. Companies offering energy products need to apply a gender lens to their work – for many companies, their primary customers are women who often lack formal IDs and are not registered in a credit bureau. There needs to be increased focus on reaching women and ensuring that there are products offered at an affordable price.

Coordination approaches are needed to offer and scale energy-related products. Incentivizing companies offering energy solutions may not be enough, and in many cases, subsidies are needed. In addition, there is an urgent need for coordinated approaches to guarantee that these solutions are not only piloted but also scaled appropriately.

Increasing access to voluntary carbon markets (VCM) can unlock a new source of capital for green inclusive finance. The recent brief by CIFAR highlights three main opportunities to draw the attention of investors, funders, and innovators to make VCM more inclusive:

- Innovative measurement reporting and verification to expand and reach economies of scale
- Streamlining standards to make these marketplaces are more accessible
- Increasing the supply of quality carbon credits

Mobilize more private capital to address climate change and ensure social impact. The private sector will be important in addressing the climate crisis, but we need to change the system’s rules and incentives. Development funding is critical and needs to be used smartly to catalyze private capital into the right areas.
Better measurement approaches are needed. While some investors have started to measure impact, there is a need for a coordinated effort from all ecosystem players. Some investors recommend that entrepreneurs start to measure how outcomes help their customers and build a case-by-case evidence base that can contribute to a shared impact measurement framework, especially in the early stages.

- Keynote Speaker, Songbae Lee, USAID
- The Business Case of Investing in Climate Resilience Ventures
- Can CBDCs Be a Saving Grace for Vulnerable Populations in LIC Amidst Shocks? A Debate
- The Role of Inclusive Finance in Africa in the Context of the Current Food and Climate Crisis
- Leaving No One Behind: An Intersectional Approach to (Digital) Green Inclusive Finance
- Democratizing Access to Carbon Finance for Startups and Communities
- Shades of Green: How can inclusive finance think more broadly about climate change?
- JuST Institute: Director’s Word
- Are Agtechs a Panacea for Farmer Adoption of Climate Resilient Agriculture
- Digital Solutions for Inclusive Climate Disaster Risk Insurance
- Microfinance for Climate Resilience
- Accelerating Fair Digital Finance: Consumer needs and risks in digital finance
- Boosting Green Inclusive Finance in the MENA Region: Motivations, Commitment & Risk Management