



SHARM EL SHEIKH ACCORD ON FINANCIAL INCLUSION, CLIMATE CHANGE & GREEN FINANCE



We, policymakers and regulators from the Alliance for Financial Inclusion (AFI) met in Sharm El Sheikh, Egypt, on 14-15 September 2017 at the 9th Global Policy Forum. We shared our thinking on the linkages between Financial Inclusion, Climate Change, and Green Finance and discussed ways in which we can strengthen peer learning and knowledge sharing on these interconnected policy areas with the aim to contribute towards climate change adaptation and mitigation within the AFI network.

Our discussions built on the previous deliberations on the issue, including the session on Green Finance and Climate Change during the 2016 Global Policy Forum in Nadi, Fiji, and the outcomes of the 2017 Pacific Islands Regional Initiative (PIRI) Leaders roundtable meeting at Kokopo, Papua New Guinea.



SPECIFICALLY, WE:

- > **RECOGNIZE** the need to contribute to an inclusive, prosperous and environmentally sound future by designing and implementing financial inclusion policies and regulatory reforms which are aligned with the 2030 Agenda for Sustainable Development and the Paris Agreement on climate change.
- > **REAFFIRM** our understanding that financial inclusion policies should help us achieve positive outcomes for climate change, green finance and sustainable development in the network and support AFI's efforts to pursue peer learning and knowledge sharing in these areas of policy and regulation.
- > **WILL** identify, collect and share relevant knowledge on innovative climate-friendly financial inclusion policies and regulatory solutions, including the analysis of the links between Fintech and Sustainable Development.

AGREE TO:

- a Strengthen the network's knowledge on the interlinkages of financial inclusion, climate change and green finance;
- b Raise awareness and advocate for financial inclusion policies and regulatory approaches which enhance efforts on climate change mitigation and adaptation at the global and regional level; and,
- c Build capacity and organize peer learning events to strengthen and share knowledge and practical skills in implementing policies which have been shown to be effective in preventing and adapting to effects of climate change.
- > **COMMIT** to taking an active part in learning and sharing knowledge on this topic with other AFI members, and key stakeholders from the public and private sectors, with the aim to identify, understand, develop and implement financial inclusion policy solutions that have positive outcomes for the environment and in particular for vulnerable communities in the network's jurisdictions which are most often affected by climate change.
- > **AGREE** to work towards developing Maya Declaration commitments with quantified targets on Financial Inclusion, Climate Change and Green Finance and call upon AFI to support members in formulating these commitments and delivering on them.
- > **COMMEND** those members that have already successfully implemented financial inclusion policies which have aided the prevention and adaptation to effects of climate change, and pledge to share such examples across the AFI network through peer learning.
- > **PLEDGE** to take national leadership and incorporate financial inclusion policies and regulatory approaches which positively affect climate change, green finance and sustainable development into national financial inclusion strategy frameworks.
- > **COMMIT** to AFI's international cooperative model based on a bottom-up approach, and believe that it is uniquely positioned to carry out this innovative initiative on Financial Inclusion, Climate Change and Green Finance.
- > **ENCOURAGE** AFI's current and potential funding and intellectual partners, including the private sector, to actively support this initiative and contribute to its success.
- > **AGREE** as a network, to bring in our voice into the global debate on Financial Inclusion, Climate Change, and Green Finance and advocate for sustainable financial inclusion.
- > **BELIEVE** this shared commitment by AFI members will not only support climate change adaptation and mitigation in their own jurisdictions and regions, but also directly contribute to Sustainable Development Goal 13 (Take urgent action to combat climate change and its impacts) and complement other initiatives such as COP 23 at the global level.

Millions of people have already been affected by climate change impacts, extreme storms, droughts and floods, reduced crop-productivity and forced migration. Low-income populations and vulnerable groups in low-income countries, and emerging economies do not have access to affordable climate finance to deal with climate shocks, as slow-onset disasters.

The convergence of financial inclusion and climate change policy outcomes in developing countries are increasingly evident, as affordable financial services play a vital role in enabling the poor and vulnerable people to cope with financial losses that result from the impacts of climate change, and build resilient, sustainable livelihoods.

Sustainable Development Goal 13 (Take urgent action to combat climate change and its impacts) cannot be fully realized without strong support from and systematic engagement with financial policymakers and regulators in developing and emerging countries. The Sharm El Sheikh Accord complements existing efforts of the global development community by ensuring that support and engagement.

AFI is uniquely placed to incite policymakers and regulators in its network who have prioritized financial inclusion to also pursue innovative and complementary policy solutions that tackle climate change. The Sharm El Sheikh Accord is enabling well-informed policy implementation via AFI's collaborative bottom-up approach, which increases likelihood of the sustainability of policy reforms.

In 2018, AFI secured funding for the Financial Inclusion and Climate Change (FICC) Program which will contribute to putting the Sharm el Sheikh Accord Change into action. The FICC is part of the International Climate Initiative (IKI). The Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) supports this initiative on the basis of a decision adopted by the German Bundestag.



Heavy flooding from monsoon rain and tide from river in Dohar, Bangladesh on August 5, 2016