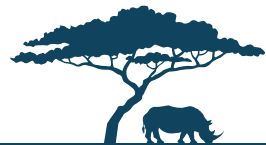




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# Practitioner Labs: Green Finance for Climate Adaptation & Biodiversity

## Lab Outputs

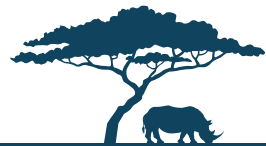


# Practitioner Labs: Green Finance for Climate Adaptation & Biodiversity

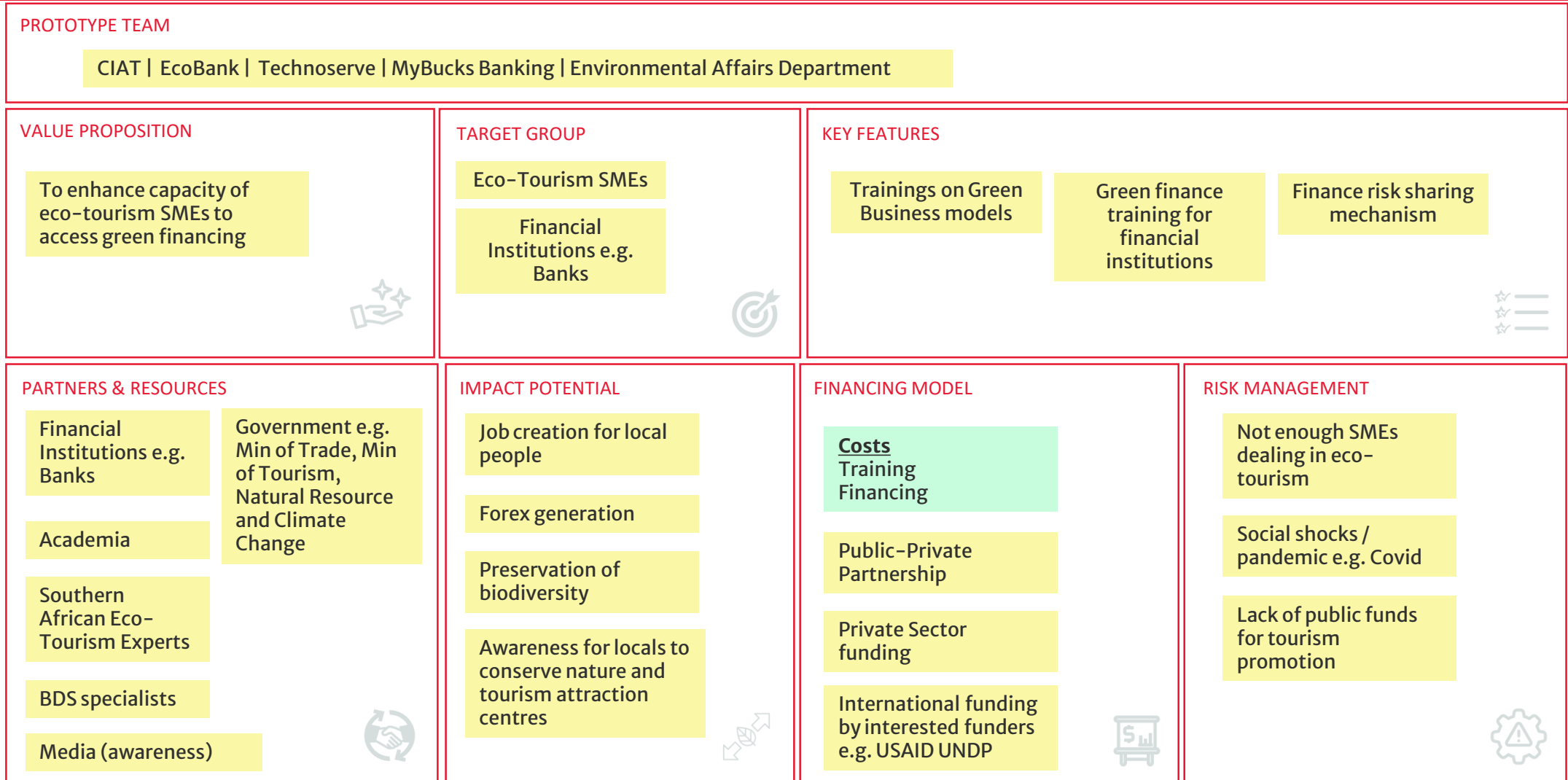
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Kick-off Lab: 17–18 November 2022  
Scale-up Lab: 24 November 2022

Location: BICC, Lilongwe



# Green Finance Prototype: Green Financing for Eco Tourism



STEP-BY-STEP MILESTONES



# Green Finance Prototype: Green Financing for SME Resilience

## PROTOTYPE TEAM

SMEDI | Tac-Maz | World Bank | Agwenda Womens Initiative

## VALUE PROPOSITION

Transforming SMEs in sustainable agriculture to be resilient



## TARGET GROUP

Established SMEs in sustainable agriculture looking to be resilient



## KEY FEATURES

Capacity building trainings for SMEs

Risk sharing facility

Cash flow gap cover

Affordable and flexible repayments



## PARTNERS & RESOURCES

SEED, Adelphi, World Bank, GIZ, Foreign, Commonwealth & Development Office

AfDB, SMEDI



## IMPACT POTENTIAL

Creating resilient SMEs with sustainable business performance

Business growth amongst SMEs

Improved household livelihoods

Climate action



## FINANCING MODEL

Blended financing

Loan guarantees



## RISK MANAGEMENT

Loan defaults

Proper mapping and due diligence exercise to identify established SMEs

Lack of resource capital

Working partnerships with development partners + Collateral

Climate Risks

Provision of training tailored to adapt to climate risks



## STEP-BY-STEP MILESTONES

Solution Designing

Testing & Validation

Piloting

# Green Finance Prototype: Fish Feed Production for Sustainable Aquaculture

## PROTOTYPE TEAM

Malaika Enterprise | Nature Save | Department of Fisheries | Environmental Affairs Department

## VALUE PROPOSITION

Offering highly nutritious floating fish feed and quality seed



## TARGET GROUP

Commercial and semi-commercial fish farmers



## KEY FEATURES

High feed conversion ratio

Floating feed

High protein %

Business advisory support that empowers SME cooperatives

Financial literacy training

Facilitating the formation of registered co-operatives

## PARTNERS & RESOURCES

- Research institutions (e.g. NAC, MAC, KAC)
- Malawi Bureau of standards
- Malawi Revenue Authority
- Dept. of Fisheries

- Financial Institutions (Banks, accelerator programmes, development partners)

- Farmers
- Vet shops



## IMPACT POTENTIAL

Increased fish production from aquaculture

Increase in incomes & revenue

- Job creation
- Nutrition (per capita consumption)

Improved:

- Waste management
- Eutrophication (management)
- Water quality management



## FINANCING MODEL

AGCOM – project application

Bank loans that provide co-financing for matching grant



## RISK MANAGEMENT

Devaluation

Budgeting in USD

Low uptake in the beginning

Intensify on marketing & solid business planning



## STEP-BY-STEP MILESTONES

Registering fish-farmer cooperatives

Business plan developed & financial records set up

Financial resource mobilisation

Acquisition of the machinery & sourcing feed ingredients

Start of production process

# Green Finance Prototype: CoFin Green

## PROTOTYPE TEAM

Department of National Parks and Wildlife | Honey Products Ltd | First Capital Bank | Microinsurance | Mzuzu eHub

## VALUE PROPOSITION

- Derisking
- Efficient turnaround time
- Bargaining power



## TARGET GROUP

Green SMEs

Energy sector SMEs



## KEY FEATURES

Training  
+  
Financing

SMEs participate through a subscription membership to receive benefits



## PARTNERS & RESOURCES

Ministry of Trade  
- SMEDI

BDS providers

Reserve Bank of Malawi

Banks & financial institutions

International lenders



## IMPACT POTENTIAL

Group lending benefits for participating SMEs

Flexible collateral arrangements

Lower interest rates

Financial inclusion for micro enterprises



## FINANCING MODEL

### Costs

- Transportation costs
- Expert costs

### Financed by

- Processing fees
- Interests
- Grants



## RISK MANAGEMENT

- Information asymmetry
- Corporate governance

- Building behaviour governance model

- Capacity building



## STEP-BY-STEP MILESTONES

Concept validation with stakeholders

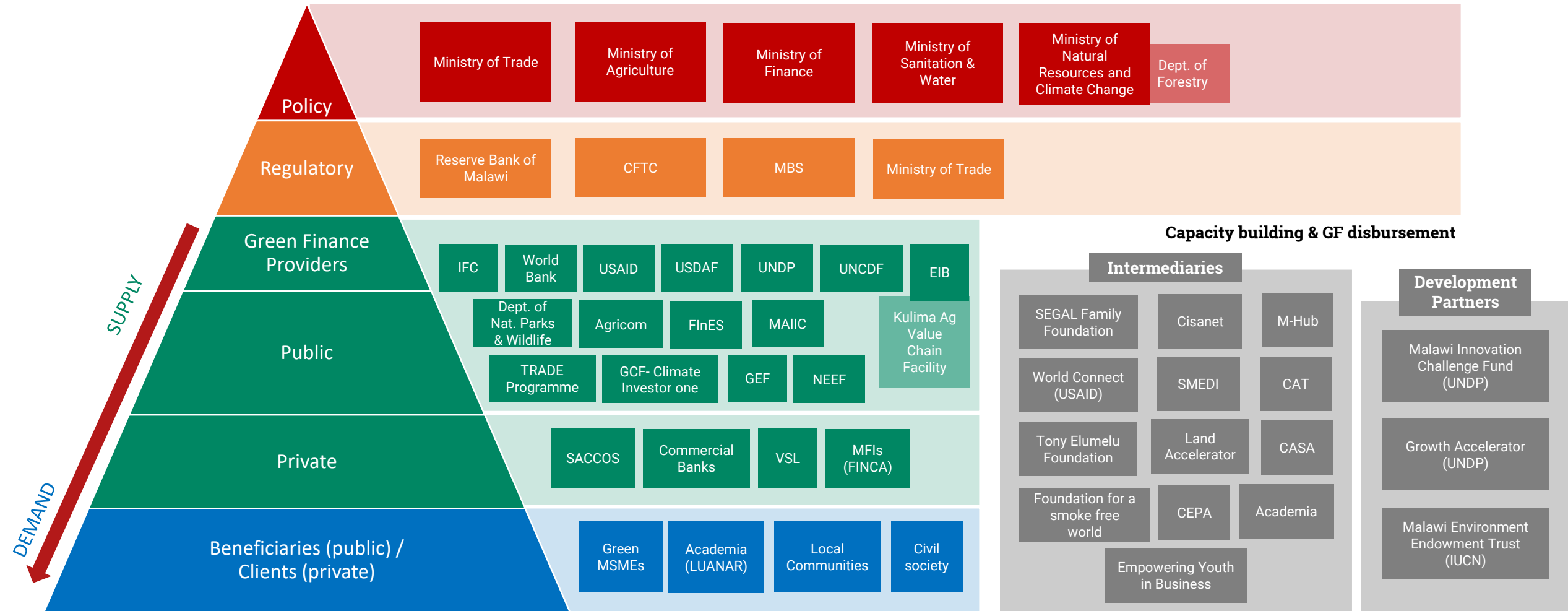
Market validation (customer segmentation and mapping)

Capacity building

Market testing

Get approval from regulators

# Malawi Green Finance Value Chain: Actors & Roles



Development of projects / investments to scale green impacts: climate mitigation & adaptation, biodiversity conservation.

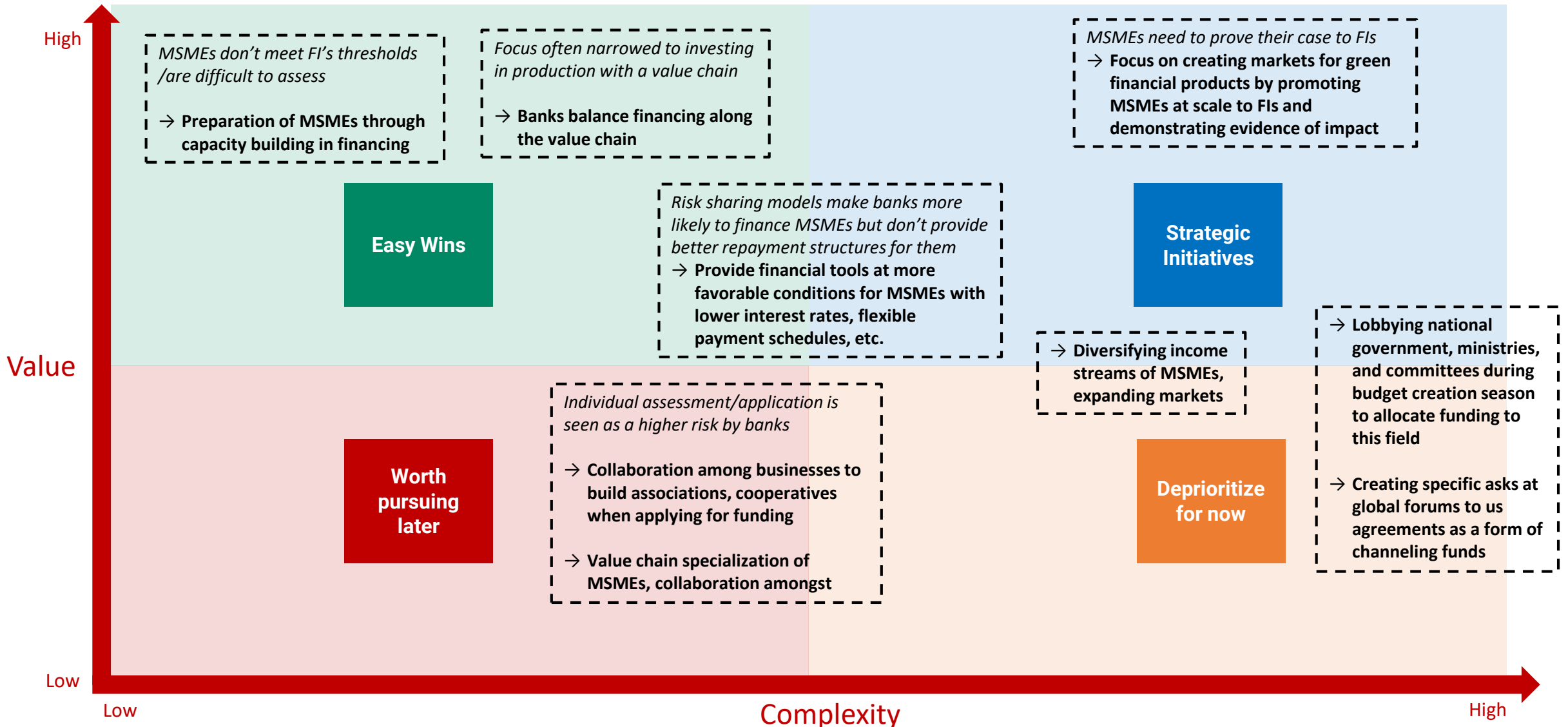
CASA: Commercial Agriculture for Smallholders & Agribusiness Programme  
 CAT: Centre for Agricultural Business  
 CEPA: Centre for Environmental Policy and Advocacy  
 CFTC: Competition and Fair Trading Commission  
 EIB: European Investment Bank  
 FInES: Financial Inclusion & Entrepreneurship Scaling  
 GCF: Green Climate Fund  
 GEF: Global Environment Facility  
 IFC: International Finance Corporation

MAIIC: Malawi Agricultural and Industrial Investment Corporation  
 MBS: Malawi Bureau of Standards  
 NEEF: National Economic Empowerment Fund Limited  
 SMEDI: Small and Medium Enterprises Development Institute  
 UNCDF: UN Capital Development Fund  
 UNDP: United Nations Development Programme  
 USAID: United States Agency for International Development  
 USDAF: U.S. African Development Foundation  
 VSL: Village Savings and Loans

Graphic developed from inputs of the Practitioner Labs: Green Finance for Climate Adaptation and Biodiversity 2022 (SEED & BioFA)



# Malawi Green Finance Value Chain: Solution Value-Complexity Matrix







Thank you

For more information, please contact the team at [biofa@adelphi.de](mailto:biofa@adelphi.de)

