



**Climate Justice**  
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# Microfinance and Climate Justice

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[www.climate-justice.earth](http://www.climate-justice.earth)

# Places: Hindu-Kush Himalayan region

The countries that share the Hindu Kush Himalaya (HKH) – Afghanistan, Bangladesh, Bhutan, China, India, Myanmar, Nepal, and Pakistan – frequently experience agricultural, hydrological, meteorological, and socioeconomic droughts (Qamer & Matin, 2019).

# Places: Hindu-Kush Himalayan region

And people there are particularly vulnerable to **food insecurity** related to **climate change** because of poor infrastructure, limited access to global markets, physical isolation, low productivity, and hazard exposure (Tiwari & Joshi 2012; IPCC, 2019)

# Places: Nepal

👁️ More than 80% of the population is exposed to the risk of natural hazards - earthquakes, droughts, floods, landslides, extreme temperature, and glacier lake outburst floods (MoHA, 2017)

👁️ Rugged topography, geologically fragile hills and mountains, livelihoods predominantly dependent on natural resource-based sources like agriculture and forests, limited institutional capacity, and low level of infrastructure and technological development add gravity of the problem (Regmi & Adhikari, 2007)

## Most glaciers in Mount Everest area will disappear with climate change - study

**About 5,500 glaciers could disappear or drastically retreat by the end of the century with severe impacts on farming and hydropower, say scientists**



▲ Glaciers in the Hindu Kush-Himalayan region - site of Mount Everest and many of the world's tallest peaks - could reduce their volume by 70%-99% by 2100, say researchers. Photograph: Kulraj Bhogal /Alamy

# Issues: role of microfinance in fostering adaptation to CC

“Climate change will exacerbate existing **poverty and inequality**. It will have the most severe impact in poor countries and regions, and the places poor people live and work. Developing countries will bear an estimated 75-80 per cent of the costs of climate change” (Human Rights Council, 2019).


ADAPTATION

- HOUSING
- WATER & FOOD SECURITY
- BUSSINESS SECURITY




**ASSET BUILDING**  
**CAPACITY BUILDING**  
**BUSINESS SECURITISATION**

# Microfinance and adaptation in practice

 Core elements of microfinance, a priori, make it attractive for facilitating adaptation by the poor

- Credit to business
- Educational loans
- Services related

 Microfinance In Nepal & Bangladesh is already promoting adaptation to current climate risks and, in some isolated cases, also to climate change

## Assessing the Role of Microfinance in Fostering Adaptation to Climate Change

*FEEM Working Paper No. 82.2010*

*CMCC Research Paper No. 91*

38 Pages • Posted: 22 Jul 2010 • Last revised: 4 Jan 2014

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# A road map



Microcredit activities might need to be done differently in order to facilitate adaptation to climate change:

- changes in the technical design of existing projects: from short to **long term**
- modification of financing modalities: from weekly repayments **to bullet or step-up;**
- inclusion of new activities with a view to facilitating adaptation: **education loans and training programs to target groups**



Yet, in the absence of a sustainable (local) business, no form of microcredit will ever be effectively implemented