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HIGHLIGHTING INNOVATIONS IN CLIMATE TECH TO SUPPORT RESILIENCE

The most recent [Intergovernmental Panel on Climate Change \(IPCC\) report](#) confirmed that global annual temperatures will likely exceed the critical 1.5-2 degree threshold without rapid action. In this precarious environment, it is often women and underprivileged groups in developing countries that are most vulnerable to climate risk. New technologies can play a pivotal role in assessing risks and supporting resilience. In this issue we highlight climate technology innovations, with a special focus on women founders of climate tech startups.

WOMEN ENTREPRENEURS CONNECTING CLIMATE TECH AND FINTECH FOR A GREENER ASIA

By Joanna Romero

Innovations in climate technology to stem the impacts of a warming climate are currently in high demand, as reflected in record-high climate tech investments (10% of private equity and grant investment). While a growing body of evidence suggests that gender diversity in leadership is positively correlated with environmental performance, women climate tech entrepreneurs are rare. In this issue of WFX Dispatch we celebrate the success of two women entrepreneurs who are connecting the worlds of climate tech and fintech to help solve Asia's climate crisis: Maria Mateo is the founder and CEO of [IBISA](#) and Dr. Entela Benz is the co-founder and CEO of [Intensel](#).

Tell us about your company. What was your motivation for its climate focus?

Mateo: IBISA is a global insurtech (insurance technology) startup that employs state-of-the-art technology to offer innovative parametric insurance solutions, protecting against weather risks. Witnessing firsthand the toll that extreme weather

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events can take on farming communities drove me to seek technology solutions to safeguard vulnerable groups from its financial impact. Climate change is not just a crisis, it is also where innovative businesses can make a significant difference.

Benz: I have been working in the field of impact, ESG, and sustainability investing for more than 15 years. I saw a lot of greenwashing and empty promises, but not enough real action to address the climate crisis. I wanted to make a difference and help others do the same. That's why I founded Intensel, a company that empowers climate action through innovative solutions.

How is your offering different from similar solutions in the market today?

Mateo: Our platform utilizes satellite data to assess weather risks, enabling us to create tailor-made insurance products and manage claims efficiently. Its processing capabilities allow for swift large-scale computations, which leads to quick underwriting and settlements. We adapt our products to local conditions, catering to our customers' specific needs.

Benz: We offer the best and most insightful climate analytics for Asia-Pacific. The data can be used not only for disclosure but also for adaptation and resilience planning.

Since starting the business, what would you consider its highest points? Its lowest points?

Mateo: High - The successful introduction of our typhoon product in the Philippines and heat stress product in India have not only resonated deeply with our customers but also provided tangible value by increasing their climate resilience. Low - Insurance is a complex product that many people find difficult to understand, making establishing trust and conveying the benefits of our products challenging.

Benz: High - Seeing our client presenting our work to their clients. That is a cascading effect that climate data have in terms of application and usefulness. Low - It is a new risk, never assessed, analyzed or considered before. It requires a lot of education and market awareness. There are a lot of good intentions and high level talk but little financial support.

What was the best advice you received when you were an aspiring woman climate entrepreneur?

Mateo: Put things into perspective. In entrepreneurship, it's important to understand that not everything is as urgent, important or critical as it may initially seem. It's a long race, not a sprint.

Benz: Be SUPER confident in my vision and delegate. There are many challenges and opportunities in climate innovation and having a clear goal and a network of allies help. Being a woman in this sector is not a disadvantage, but a strength, as I bring diverse perspectives, time management and execution skills.

[Read the full interviews here.](#)

LEVERAGING AI IN CLIMATE SUSTAINABLE FINANCING

By Akhil Hemrajani

Climate change poses a significant threat to our planet, and addressing this issue requires concerted efforts from all sectors of society. Financial institutions (FIs) have a critical role to play in promoting sustainability and combating climate change. Rapid developments in artificial intelligence (AI) have led to a rise in potential use cases for leveraging AI solutions in climate finance. A [PricewaterhouseCoopers](#) survey revealed that AI could play a significant role in reducing global greenhouse gas emissions by up to 4% by 2030. According to the [BCG Climate AI Survey](#), 87% of private and public sector CEOs with decision-making power in AI and climate believe AI is an essential tool in the fight against climate change.

Analyzing an Enterprise's Environmental Risks

One key challenge in climate finance is assessing an enterprise's environmental risks accurately. AI offers a solution by collecting and processing various data sources. Consider a mid-size manufacturing company as an example:

AI systems collect internal data such as energy consumption, waste production and emissions data, and external data including weather forecasts, pollution levels, and environmental regulations. AI algorithms analyze the data to assess environmental impact. This analysis may include:

Emissions analysis: AI-driven predictive analytics can forecast future emissions based on historical data, trends, and external factors. This assists in setting emission reduction targets and planning sustainable practices.

Resource efficiency: Machine learning algorithms such as classification and regression algorithms can help evaluate resource usage. Organizations can identify areas where they can improve resource efficiency, such as water and energy consumption.

Supply chain sustainability: AI assesses the environmental sustainability of suppliers, highlighting the risks of falling short of environmental standards. Internet of Things (IoT) sensors and devices in the supply chain can collect data on environmental factors (e.g., temperature, humidity), energy consumption, and production efficiency. AI can analyze this real-time data to assess sustainability. For example, [Refinitiv's](#) ESG solution enables organizations to manage carbon risks by identifying exposures across their value chains, including indirect emissions that occur in the supply chain.

Weather and environmental conditions: AI modules enable monitoring of weather data and environmental conditions and identifying potential risks such as extreme weather events. The platform then assigns risk scores to environmental risks based on their potential impact and likelihood. High-risk factors, such as excessive emissions leading to legal and reputational risks, are prioritized. For example, [Intensel](#), a climate risk technology company, assesses satellite imagery and terrain footprint data to run climate based stress-test scenarios to help its clients identify risks. (Learn more about Intensel in the accompanying interview with CEO Dr. Entela Benz in this issue.)

AI systems can generate reports highlighting risks and provide recommendations for mitigation. These may include implementing energy-efficient technologies, establishing contingency plans for extreme weather events, and ensuring compliance with regulations.

Leveraging AI can enable organizations to continuously track changes in environmental risks and local regulations. This proactive approach allows the enterprise to take measures to reduce its environmental impact. This also boosts the company's chances of obtaining loans, especially in an environment where climate finance is increasingly coming into focus. This is another way [AI can contribute to the growth of the global economy, as it is estimated that AI could contribute \\$15.7 trillion to the global economy by 2030.](#)

WE DATA

BUILDING THE CASE FOR INVESTING IN FEMALE ENTREPRENEURS IN ASIA

WFX will soon begin conducting training for financial institutions in Indonesia, Sri Lanka and Fiji as part of the new initiative Women Entrepreneurs: Data Advancing Transformative Access to Finance (WE DATA), implemented in partnership with the ADB Gender team. The WE DATA program aims to catalyze sustained mindset and behavior change to drive increased investments in women entrepreneurs by piloting the WE Finance Code. The Code, coordinated by the Women Entrepreneurs Finance Initiative (We-Fi), was developed with finance leaders from more than 30 private and public sector organizations to close gender finance and data gaps. It is a commitment from multiple financial ecosystem players, including regulators and development banks, to increase funding to women-led micro, small and medium enterprises. WE DATA will focus on building the business case for female-focused investments by providing WE Finance Code champion FIs with targeted training. The program also aims to establish a new national women entrepreneur-focused regulatory framework, invest in digital solutions and provide a platform for peer learning. The WE DATA program will begin rolling out in Indonesia in December 2023.

WOMEN BUSINESS OWNERS REPRESENT GREEN GROWTH POTENTIAL FOR FINANCIAL INSTITUTIONS IN PAKISTAN

We surveyed 100 women and women-owned MSMEs (WMSMEs) in Pakistan to generate insights on the drivers and barriers to accessing finance, including green finance. This is what we learned:

- While women are severely underrepresented in entrepreneurship and operate small scale businesses, they are engaged in a broad range of economic sectors that have greening potential.
- Women business owners expressed concern about climate-related disasters, reporting they have lost income as a result.
- They are interested in building their capacity for taking climate action and in seeking green loans.
- However, there are barriers to borrowing, including: the perceived scarcity of financing in their sector (mainly services), lack of self-confidence in managing a loan, affordability of loans, complexity of the loan process and documentation, and lack of collateral.
- Financial institutions can leverage and build on the strong political will and momentum for change in both green financing and women's financial inclusion to create a path forward that is mutually beneficial for them and the women business owners they serve.

Please look out for this upcoming publication on our website.

Links to Resources

Why Climate Change Matters for Women
(<https://data.unwomen.org/features/why-climate-change-matters-women#:~:text=1%20droughts%20continue%20to%20increase,as%20a%20loss%20of%20agency>)

PwC's Global Artificial Intelligence Study: Exploiting the AI Revolution
(<https://www.pwc.com/gx/en/issues/data-and-analytics/publications/artificial-intelligence-study.html>)

2022 BCG Climate AI Survey
(<https://www.bcg.com/publications/2022/how-ai-can-help-climate-change>)

ASEAN and Global Value Chains: Locking in Resilience and Sustainability
(<https://www.adb.org/publications/asean-global-value-chains-resilience-sustainability>)

IPCC Sixth Assessment Report: Impacts, Adaptation and Vulnerability
(<https://www.ipcc.ch/report/ar6/wg2/>)

Time to Get Serious About the Realities of Climate Risk
(<https://www.pwc.com/gx/en/services/sustainability/publications/risks-and-opportunities-of-climate-change-on-business.html>)

WHAT'S HAPPENING AT WFX

SPOTLIGHT ON GENDER-INCLUSIVE GREEN FINANCE AT THE ADB GENDER FORUM

WFX held a "Spotlight on Gender-Inclusive Green Finance" event at ADB's Gender Forum on 22 November, sharing global trends and discussing how to catalyze and scale up gender inclusive green finance in Asia and the Pacific. The event was introduced by ADB's Director General of the Private Sector Operations Department Suzanne Gaboury.

Speakers highlighted key insights from innovative projects at the intersection of green and gender:

- **Joana Pedro from UNEP-FI** provided an overview on the landscape and opportunities presented by gender-inclusive green finance;
- **Kamrul Tarafder of ASA Philippines** discussed how ASA provides green financing solutions for low-income women entrepreneurs in the Philippines, including solar home system loans;
- **Maya Kobalia of Crystal Georgia** highlighted their first gender bond issuance. The proceeds of the bond support women entrepreneurs with sustainable finance, including climate-change loans to purchase small energy efficient equipment and renewable energy; and
- **ADB's Biao Huang** discussed two innovative ADB investments: Bank of Qingdao's groundbreaking "blue finance" project and Ping An Leasing's Energy Efficiency Improvement Project. Both projects focus on the nexus of green/blue finance and women in the People's Republic of China.

The event was attended by over 400 participants from 70 countries, including representatives of government agencies, the private sector, academia and civil society.

REVAMPED WFX WEBSITE HIGHLIGHTS MEMBER FORUM

WFX recently launched an updated website with a lower carbon footprint and a focus on members. The new site allows our financial institution (FI) members to access specialized content and tools in the Member Forum, including a recent webinar on assessing climate risks. Members will be able to share their insights with our community, as well as provide feedback and comments.

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