Permanent Mission of Sweden
to the United Nations, New York

CONCEPT NOTE

- **Welcome and brief overview** - Cecilia Repinski, Moderator (5 mins)
- **Welcoming remarks** – Peter Eriksson, Minister for International Development Cooperation, Sweden (10 min)
- **Key note presentation** - Matthew Osborne, PhD, Stockholm Environment Institute (15 min)

Abstract: "Providing sustainable finance to smallholders in Uganda: A case study"

In an era of progressively severe and frequent climatic shocks, the probability of environmental and developmental damage within local agricultural systems is increasing. Smallholders are particularly vulnerable to climate shocks, and the obvious response would be to insure the farm against climate risks. However, that has not been much of an option for smallholder farmers in low-income countries, as insurers find it hard to verify the legitimacy of the claim by the insurer, among other complicating factors.

Weather index insurance (WII) based on satellite data seems a promising innovation. With WII, pay-outs depend on the realization of an objectively verifiable weather variable, such as rainfall. But despite its promise, uptake of index insurance products is often remarkably low. In fact, recent ethnographic studies have pointed to the harmful effect individual insurance products may have on informal insurance mechanisms, where mutual support arrangements have ensured the survival of rural communities in low-income countries through the centuries.

In a case study in Eastern Uganda, researchers from SEI and the University of East Anglia explored the possibility of using Village Savings and Loan Associations (VSLAs) as a means to deliver the benefits of weather index insurance whilst overcoming the potentially negative social impact. The Uganda case study provides lessons on how to provide sustainable finance to producers in developing countries, and a proof of concept on an entirely innovate research approach to delivering tailored solutions for complex developmental challenges.

- **Q&A panel/researcher** (ca. 15 min)
- **Panel discussion** (ca. 30 min) around proposed guiding questions:

- What are the roles of different governmental actors (ministries, development agencies, national development finance institutions) in mobilizing finance for low-carbon and climate-resilient development?
- How can global actors ensure they understand needs on the local level, and what can public and private financial institutions do to avoid crowding out local actors? How do we take into account and promote local level innovations?
- How should finance be blended to reduce risk? Which actor should come in at which point in time in the process of climate-friendly development finance?
- What are advantages and disadvantages of the different financial instruments, and which financial instruments make sense for which actor at which point in the process?
- What would have to change to make investments in adaptation more attractive to both public and private financial institutions?

- **Q&A panel/ audience** (ca. 10 min)

This event is organized in collaboration with the Stockholm Sustainable Finance Centre

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