



SEED
promoting entrepreneurship
for sustainable development

Founding Partners



SEED PRACTITIONER LABS CLIMATE FINANCE

Prototyping financial products to drive climate-smart innovation

June – November 2018 | Kampala, Uganda

SEED Practitioner Labs Climate Finance supported by:



Federal Ministry
for the Environment, Nature Conservation
and Nuclear Safety

SEED Practitioner Labs Climate Finance

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SEED Practitioner Labs Climate Finance

Facilitating Climate Finance Product Development

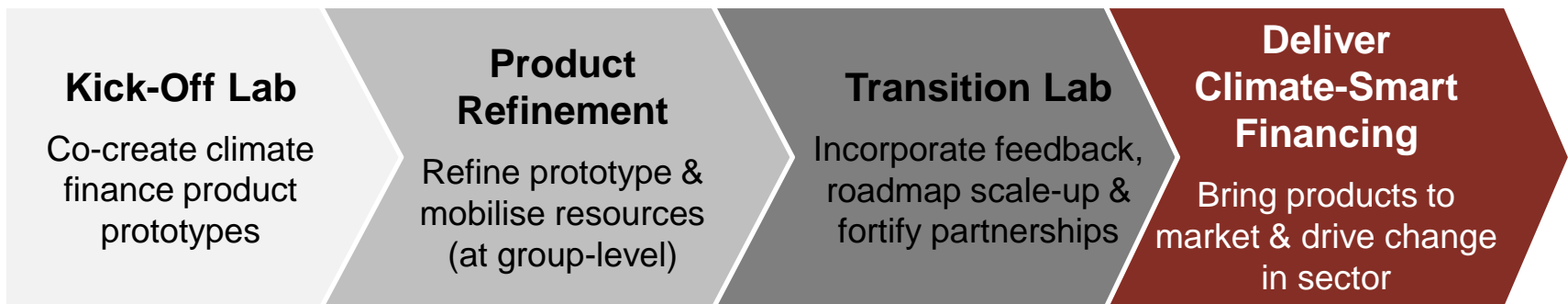


The 2018 SEED Practitioner Labs Climate Finance series in India, Thailand and Uganda brought together around **200 leading investors, banks, development finance institutions, foundations, governments, innovators and intermediaries** to jointly prototype tangible solutions to major climate finance challenges.

Lab practitioners, facilitated by *SEED Prototyping Tools*, turned challenges into solutions as they designed and mobilised support for robust prototypes that innovate the next generation of climate finance products for their target markets.



From Kick-Off to Market:



Practitioner Lab Climate Finance Uganda Impressions



Uganda – Kick-Off Lab 29 June 2018, Transition Lab 13 November 2018



Practitioner Lab Climate Finance Uganda

Bringing together a wide range of stakeholders



Product Development Hosts

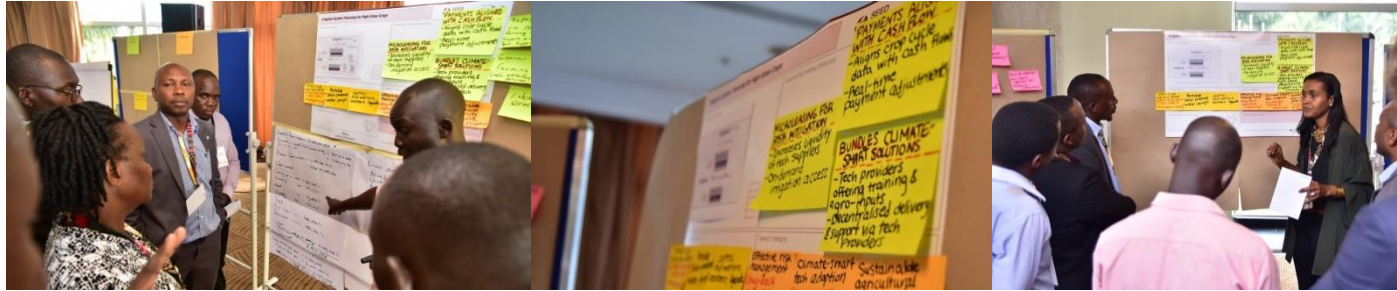



Lab Practitioners




Practitioner Lab Climate Finance Uganda

Developing innovative climate finance products




Turning challenges  ... into new climate finance solutions 

Microinsurance delivery through weather indexing

 **Mobile-Enabled Microinsurance, hosted by FSD Uganda with UK Aid**



Renewable energy infrastructure financing

 **Irrigation System Microleasing for High-Value Crops, hosted by Swisscontact**



Climate resilient agriculture through financing irrigation systems

 **Syndicate for Renewable Energy Infrastructure Financing, hosted by UNFCCC RCC – Kampala**



Mobile-Enabled Microinsurance

Product development hosted by FSD Uganda with UK Aid

Product synopsis

Offers smallholder farmers superior agriculture insurance by leveraging mobile technology and reliable weather indexing for improved:

Product delivery

Servicing

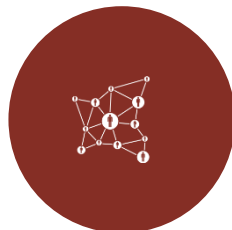
Claims pay-outs





Leverages mobile-based technology for bundled services

- Product updates and flexi-payment information supported by messaging, toll-free calling and mobile-money
- Insurance bundled with agricultural input promotions (e.g. fertilizers and seeds) for incentivisation



Decentralises delivery and servicing via insurance agents

- Network of agents earn commission for customer acquisition
- Agents support technology training, complaints handling and pay-outs in coordination with community leaders and agribusiness associations



Streamlines claims processing with weather indexing

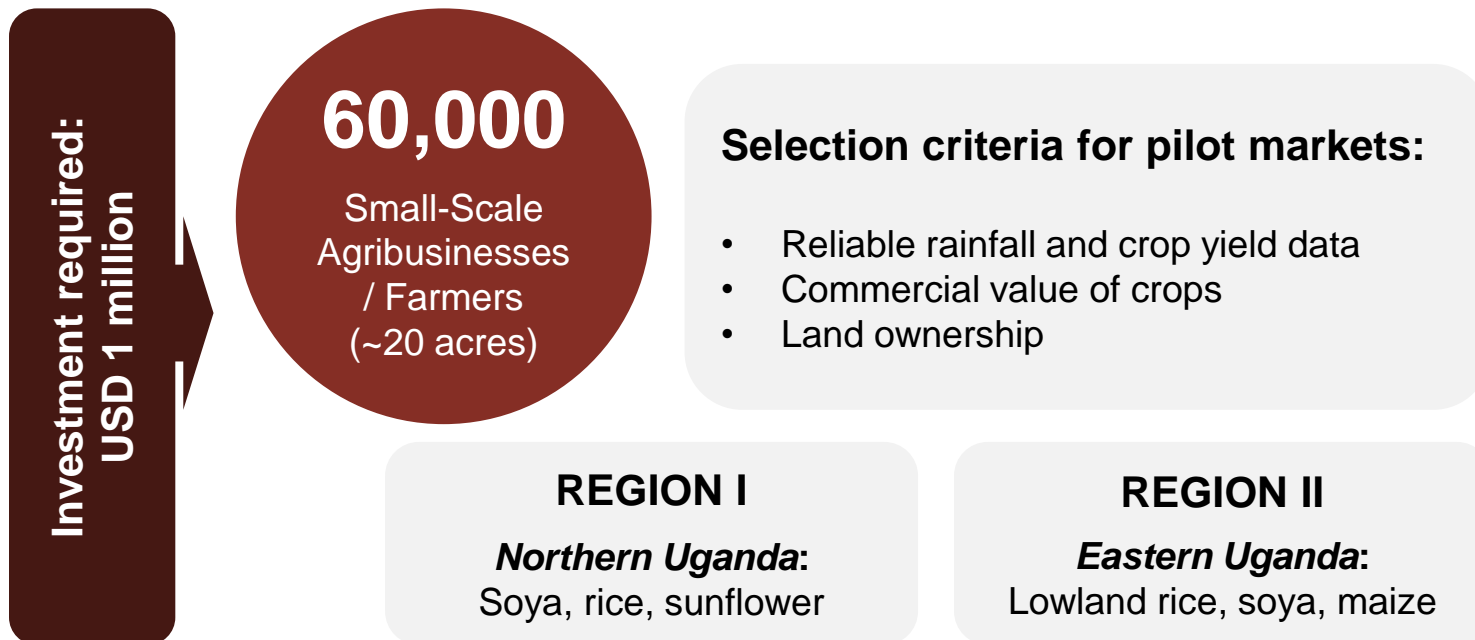
- Pay-outs pegged to weather-based indexing (i.e. real-time rainfall data) for greater reliability and efficiency
- Claims payments delivered via mobile money within 10-20 days of claim receipt

Mobile-Enabled Microinsurance

Target Market



During the two-year pilot phase, *Mobile-Enabled Microinsurance* will insure 60,000 farmers through a USD 1 million investment. Market entry for *Mobile-Enabled Microinsurance* focuses on small-scale agribusinesses in strategic regions and value chains at the core of Uganda's commercial crop production.



Mobile-Enabled Microinsurance

Impact Potential

Mobile-Enabled Microinsurance addresses the shortcomings of existing microinsurance products and will:

Secure buy-in of small-scale agribusinesses / farmers

Extend agriculture insurance market

Improve resiliency & productivity

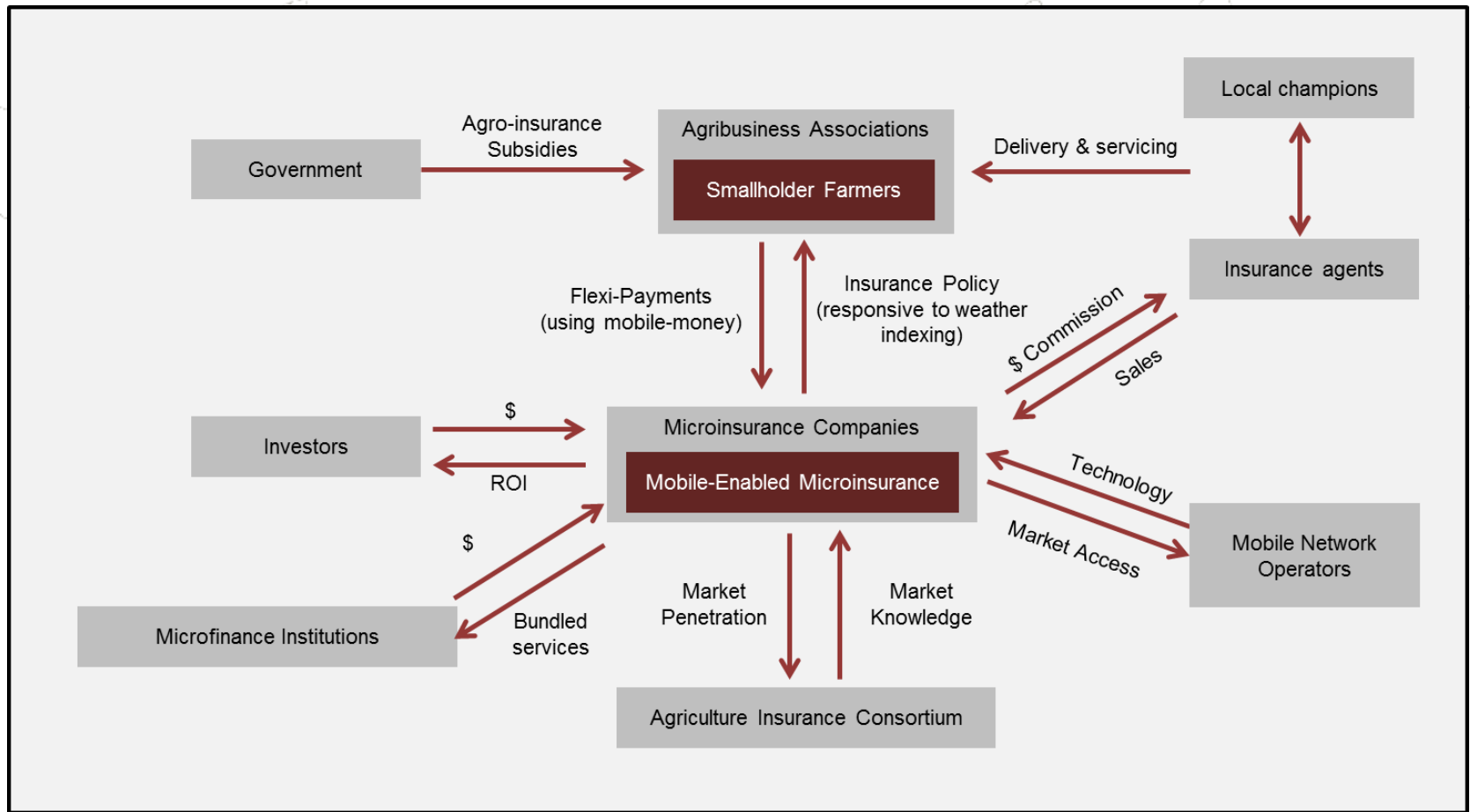
- **Improved awareness of insurance benefits** among small-scale agribusinesses
- **More smallholders trained** in sustainable agriculture and mobile-based technology

- **Increased number of insured** small-scale agribusinesses
- **Improved customer satisfaction** with superior delivery and servicing

- **Reduction of losses** from changing rainfall
- **Adoption of climate-smart** practices
- **Improved commercialisation** potential of crop yield

Mobile-Enabled Microinsurance

For a climate-resilient agriculture sector



Irrigation System Microleasing for High-Value Crops

Product development hosted by Swisscontact



Product synopsis

Irrigation System Financing for High-Value Crops directs deal flow to climate-smart irrigation systems to improve productivity and climate adaptation capacities of small-scale agribusinesses. The microleasing product provides:

- **Low-risk microleasing** with buy-back options
- **Payments adjusted to crop cycles**
- **Decentralised delivery** via tech suppliers
- **Awareness raising & training** (via pricing & grants)





Mitigates consumer and supplier risk via microleasing

- Microleasing improves liquidity of climate-smart irrigation technology suppliers
- On-demand access to irrigation solutions with favourable interest rates increases crop yields and climate resiliency



Aligns payments with crop cycles and cash flow data

- Aligns crop cycle data with cash flows for selected climate-smart irrigation technologies
- Real-time adjustments in payments to in response to irrigation demand and financial liquidity of farmers



Bundles climate-smart solutions via technology providers

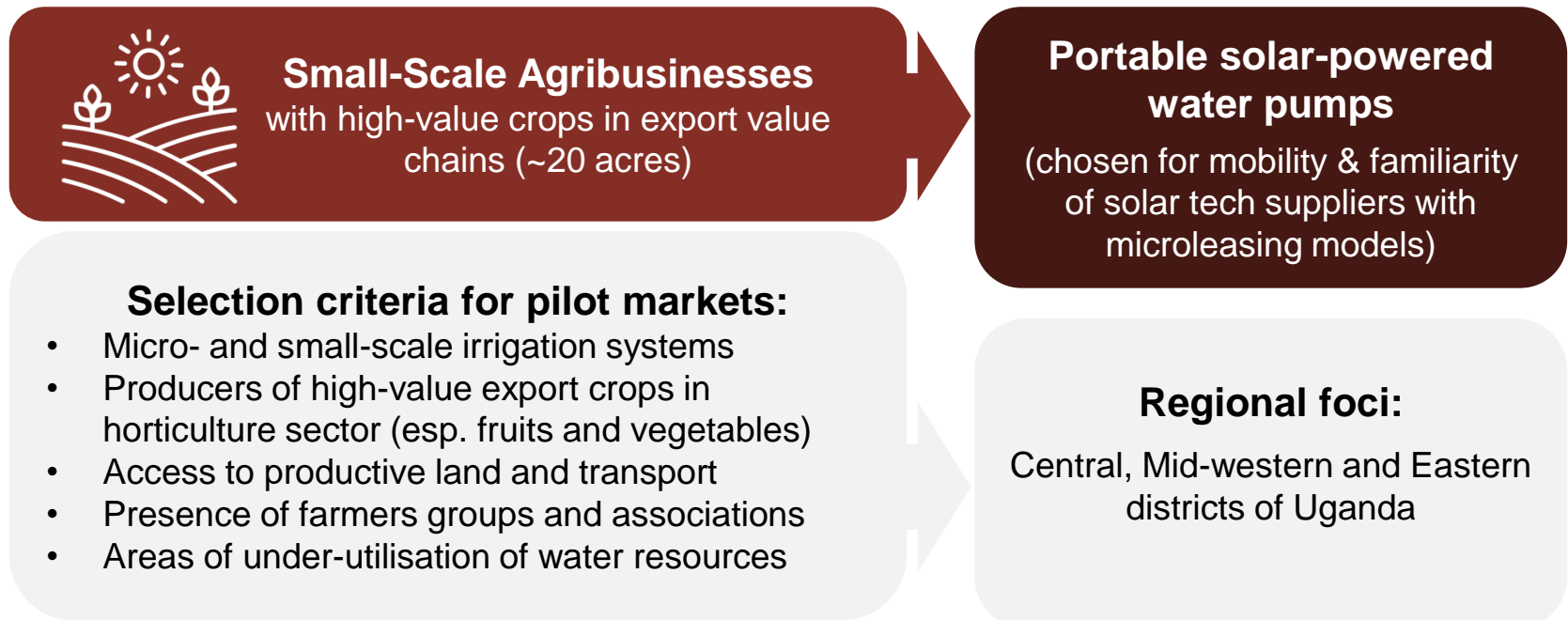
- Micro- and small-scale irrigation products are offered alongside other agro-inputs for sustainable agriculture
- Microleasing via technology providers' allows for decentralised networks for climate-smart tech dissemination and support

Irrigation System Microleasing

Target Market



The pilot phase for *Irrigation System Financing for High-Value Crops* involves facilitating financing for irrigation systems for small-scale agribusinesses (up to 20 acres) in key agro-ecological zones with varying crop value chains.

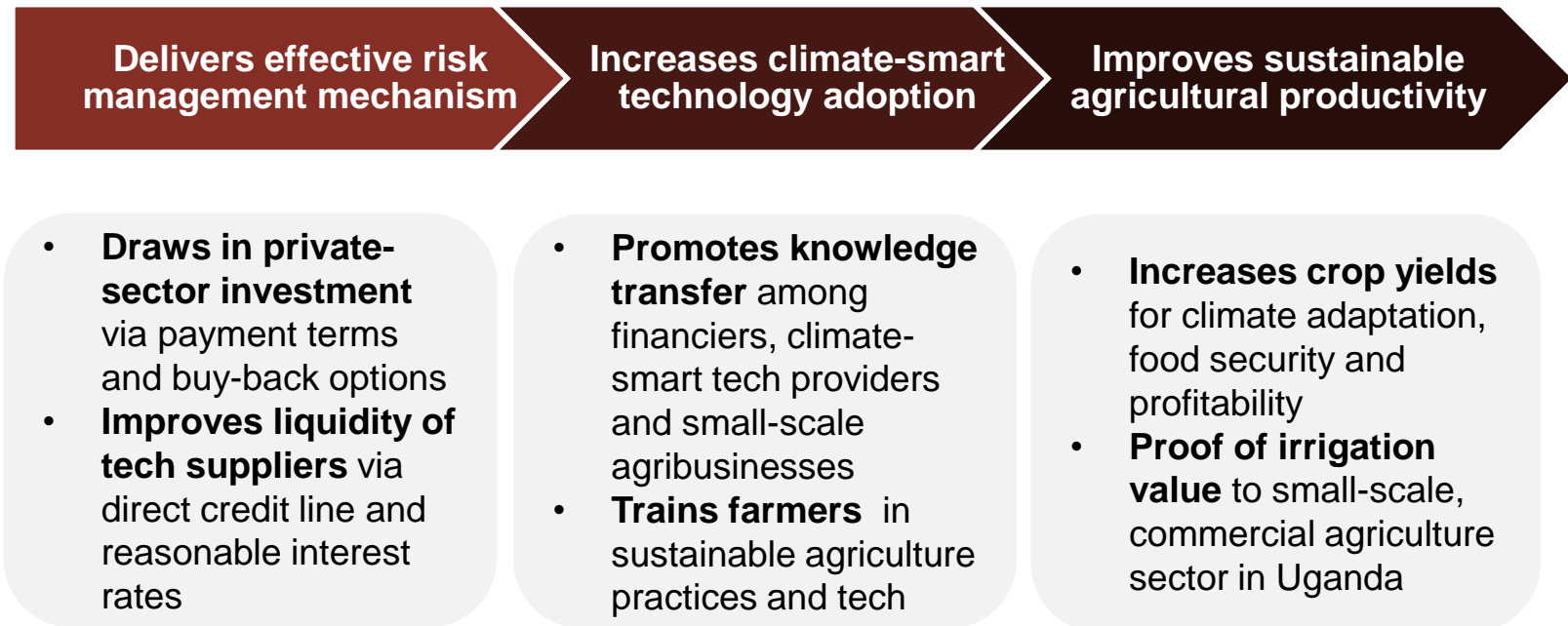


Irrigation System Microleasing

Impact Potential

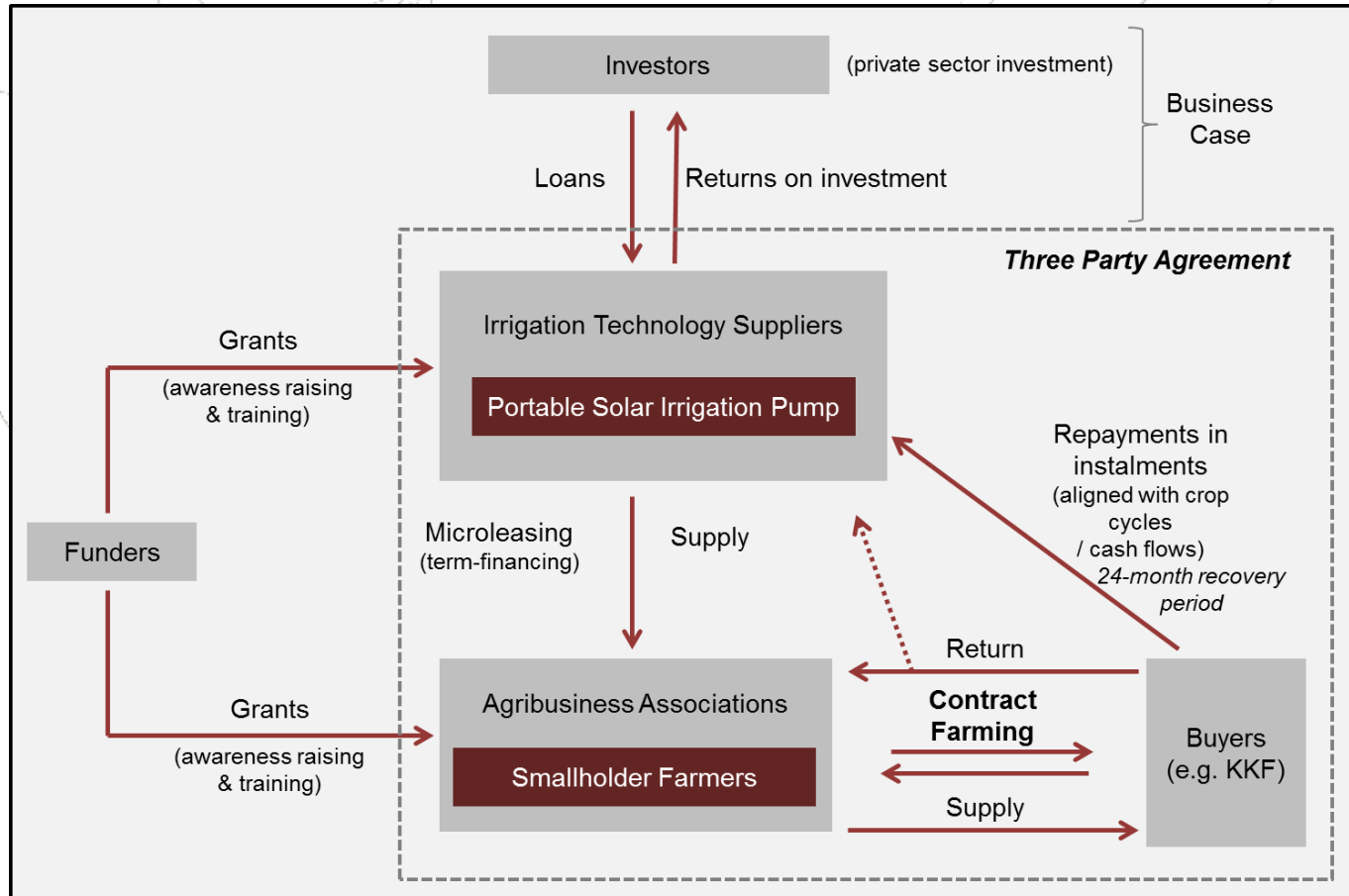


The product prototype generates positive impacts to the consumer (small-scale agribusinesses), financiers and tech providers. Financial institutions are able to grow their portfolios by attracting equity/debt financing for expansion. Consumers benefit from increased productivity and better climate-related risk management.



Irrigation System Microleasing

For high-value, climate-resilient crops



Syndicate for Renewable Energy Infrastructure Financing

Product development hosted by UNFCCC RCC - Kampala



Product synopsis

The *Syndicate for Renewable Energy Infrastructure Financing* contracts a community of interested debt and equity lenders to finance household renewable energy projects. This prototype focuses funding on a key area of growing energy demand and opportunity:

Pay-as-you-go financing

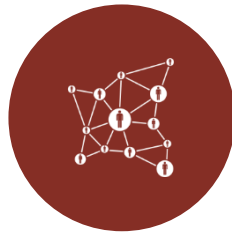
**Off-grid solar for household use
(8-200 Watts)**





Mitigates risk via syndication with multiple lenders

- Multiple lenders share investment risks associated with lending for renewable energy infrastructure projects
- Investors legally bound in syndicate which manages comprehensive RE project analysis, due diligence and evaluation



Pools multi-stakeholder investment and shares knowledge

- Syndicate lenders and off-grid energy experts exchange knowledge and form long-term partnerships for selection and dissemination of appropriate tech to high energy demand areas
- Syndicate supports project planning and aligns payments to milestones



Offers numerous opportunities for scale-up

- Syndication model easily replicated in new contexts and applied to further climate-smart energy solutions to secure and manage multi-stakeholder buy-in and risk
- Model ideally suited to meeting energy demands of high-demand areas

Syndicate for RE Infrastructure Financing

Target Market



Lenders involved in the *Syndicate for Renewable Energy Infrastructure Financing* include commercial banks, multilateral banks, development institutions, fund managers, equity funders, international agencies representing different governments, insurance companies and other interested parties.

The syndicate focuses financing on renewable energy projects at the base of Uganda's of growing energy demand and green economic development:



Selection criteria for pilot value chains:

- Pay-as-you-go clean energy providers (SMEs)
- Off-grid (future) consumers
- Energy-poor communities mainly in remote Uganda

Scalability potential: Replication of syndication model for rooftop solar for commercial use, mini- and micro-grid solar, hydro, biomass, wind and thermal energy projects

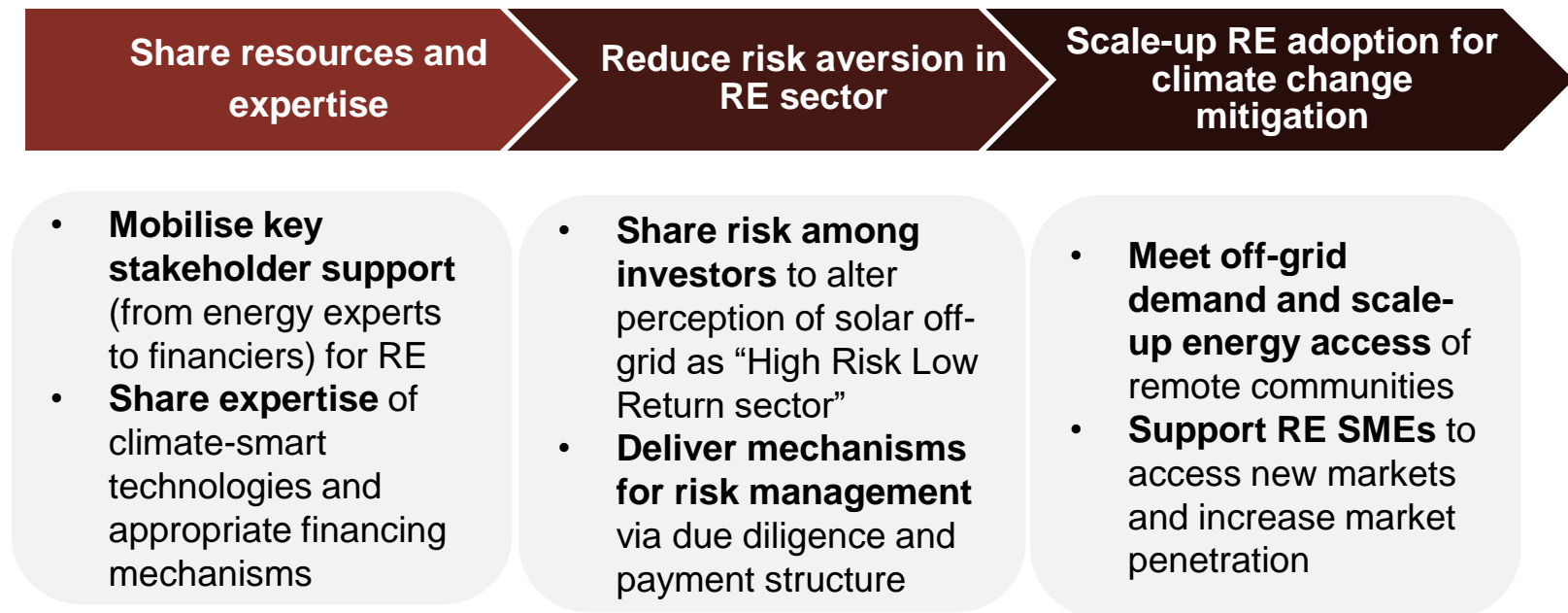


Syndicate for RE Infrastructure Financing

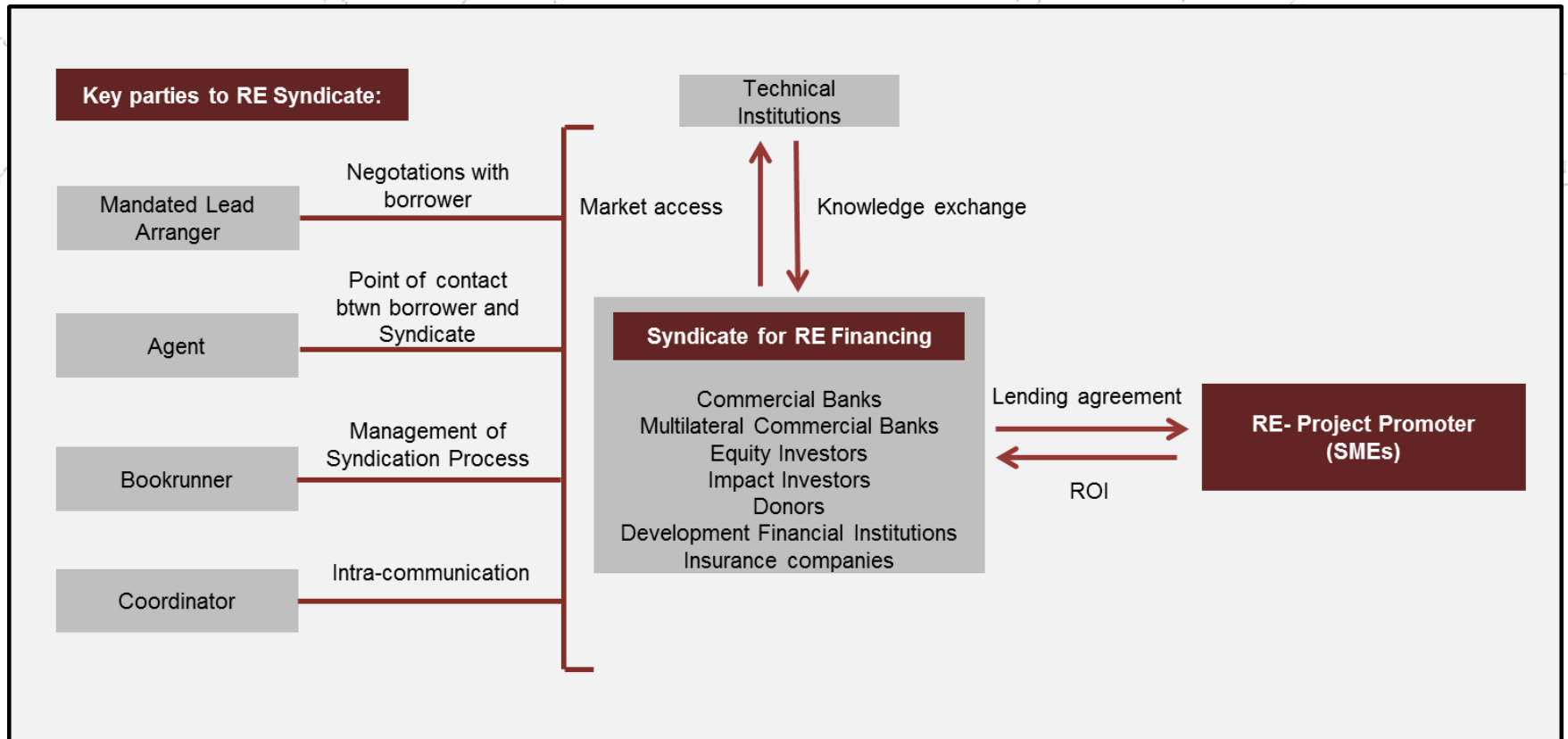
Impact Potential



Renewable energy infrastructure is required to meet Uganda's growing energy demand and strengthen the climate resiliency and mitigation potential of the energy sector.



Syndicate for RE Infrastructure Financing



About SEED



SEED was founded at the 2002 World Summit on Sustainable Development in Johannesburg by UN Environment, UNDP and IUCN as a global partnership for action on sustainable development and the green economy. SEED is based on the understanding that the promotion of social and environmental entrepreneurship is pivotal for environmentally friendly and socially inclusive development and poverty reduction.

We work directly with growing enterprises and aspiring entrepreneurs in our Enterprise Support programmes to strategise, optimise and award achievements in eco-inclusive entrepreneurship. All our participating enterprises receive a comprehensive SEED Support Package of tailored business and capacity-building support, networking, and profiling at the national and international level.

Complimentary to our direct Enterprise Support programmes, we offer programmes to build an ecosystem of supporters and advocates necessary to the success of growing enterprises. Our Ecosystem Building activities fortify a global network of local business development services providers and offer platforms for coordination between key local, national and international stakeholders around eco-inclusive entrepreneurship.

SEED is hosted by adelphi research gGmbH, a non-profit institution committed to sustainable development and entrepreneurship, based in Germany. Partners in SEED, in addition to the Founding Partners, are the governments of Germany and Flanders, the European Union; the governments of South Africa, the Netherlands, India, and the United States of America; Conservation International; UN Women, UNIDO and Hogan Lovells.

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SEED Hosting Partner



SEED Founding Partners





SEED
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for sustainable development

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SEED PRACTITIONER LABS CLIMATE FINANCE

Prototyping financial products to drive climate-smart innovation

SEED Practitioner Labs Climate Finance are part of the implementation of “Financing and capacity building for micro and small climate-smart enterprises: Filling the gap of the missing middle”, a project supported by the German Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety.

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Federal Ministry
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