



Key facts - Uganda



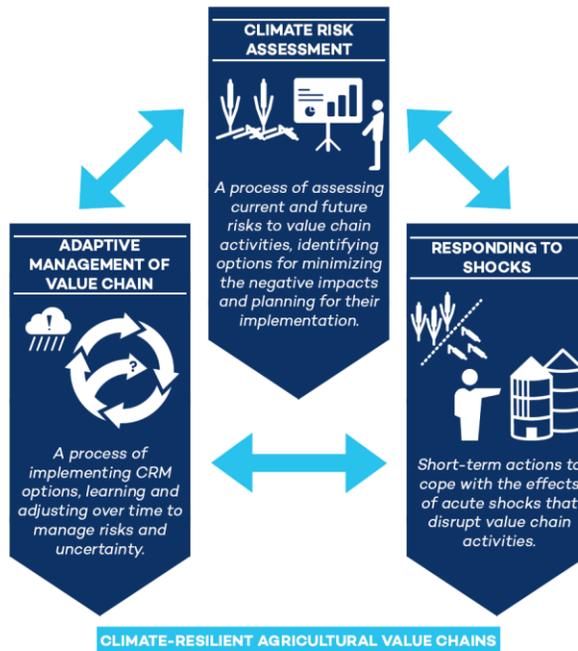
- **Agriculture remains the backbone of the economy in terms of both food security and poverty reduction.**
- **Public investments in agriculture are limited and in steady decline.**
- **Micro, Small and Medium Enterprises remain the most significant investors in agricultural value chains.**



Research question



How can **domestic private sector investments** in developing countries support **climate risk management** by different actors along agricultural value chains?





Our private sector partners

Equator Seeds

- Domestic seed company established in 2012.
- Invest in producing, processing and marketing quality seeds (including climate-resilient rice seeds) in Northern Uganda (post-crisis context).

The Centenary Bank

- Largest commercial bank in Uganda; established in 1985; agricultural department created in 2013.
- Invest in credit and savings services (microfinance) — including for rice value chain actors in Eastern Uganda.

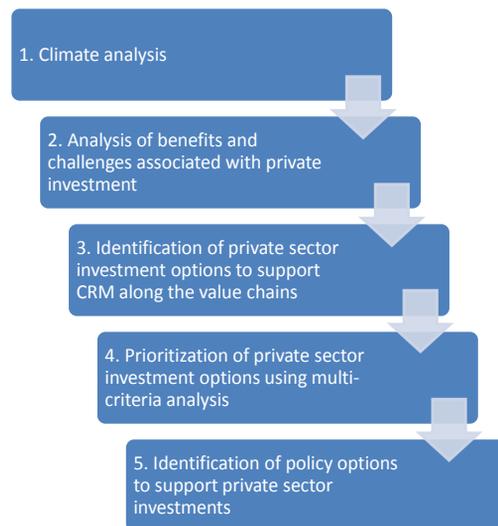
→ Social enterprises already looking for co-benefits along agricultural value chains.

→ Access to quality inputs and affordable finance are pre-requisites for building climate-resilient agricultural value chains.

The approach



- **Focus on rice value chains** – one of the priority crops for the Government of Uganda in terms of improving food security and household income.
- 2 case studies:
 - Quality seeds in the North.
 - Financial services in Eastern Uganda.
- Qualitative, participatory, engaging different rice value chain stakeholders.



RESULTS



Current climate impacts and responses



- Climate hazards already negatively impact all actors along agricultural value chains, but in different ways and to different degrees.
- MSEs and financial service providers already contribute to support CRM along value chains; it helps them ensure their business continuity.

Options for financial service providers to support CRM along the value chain



1. Adjusting existing products
 - e.g. by offering a preferential interest rate for value chain actors who implement particular CRM activities
2. Provision of complementary services
 - e.g. incorporate CRM into the business training that they already offer
3. Development of new financial products and services
 - e.g. weather index insurance

Options for agricultural input providers to support CRM along the value chain



1. Strengthen systems for production, distribution and quality control of climate-resilient seeds and other inputs.
2. Raise awareness of benefits of climate-resilient seeds to stimulate demand.
3. Support informed decision-making by clients and partners for climate-resilient products and services (certain MSEs can act as climate knowledge brokers).



Key lessons



1. A value chain approach is useful in fostering a systemic approach to CRM.

- Promotes a multi-stakeholder approach
 - Highlights importance of private sector
- Emphasizes interdependence of the actors in terms of CRM
- Efforts to integrate climate change in agricultural policy development and implementation should consider a value chain approach



Key lessons

2. Capacity building on CRM is required among all value chain stakeholders

- May be strategic to focus efforts on actors that have the potential to influence multiple actors at important decision points
- Role for governments and development agencies in building this capacity
- Role for researchers in building the evidence base and developing decision support tools



Key lessons

3. Climate information services are essential for building climate-resilient value chains.

- All actors involved in the research emphasized the need for climate and weather information to better manage risks to value chain activities
- Some dissemination channels already exist among the different value chain actors and service providers – need to capitalize on these
- Information needs to be provided in formats that are accessible and relevant for decision-making by different actors
- Requires investments beyond value chain development
 - e.g. in meteorological infrastructure and capacity



For more information

www.iisd.org

Private sector investment in a changing climate: resilient rice value chain development in Uganda (2014-2016)

Partners:

Ministry of Finance, Planning and Economic Development

Economic Policy Research Center (EPRC)

IDRC funding

