

SMEs and recovery

The faster the
SMEs recover
from the
disaster, the
faster the
community
recovers

The consultation..

A total of 258 from Uganda and Kenya
MSMEs

Kampala

Mbale Mbarara

Katakwi Kasese

Adjumani

Nairobi,

Kisumu,

Mombasa

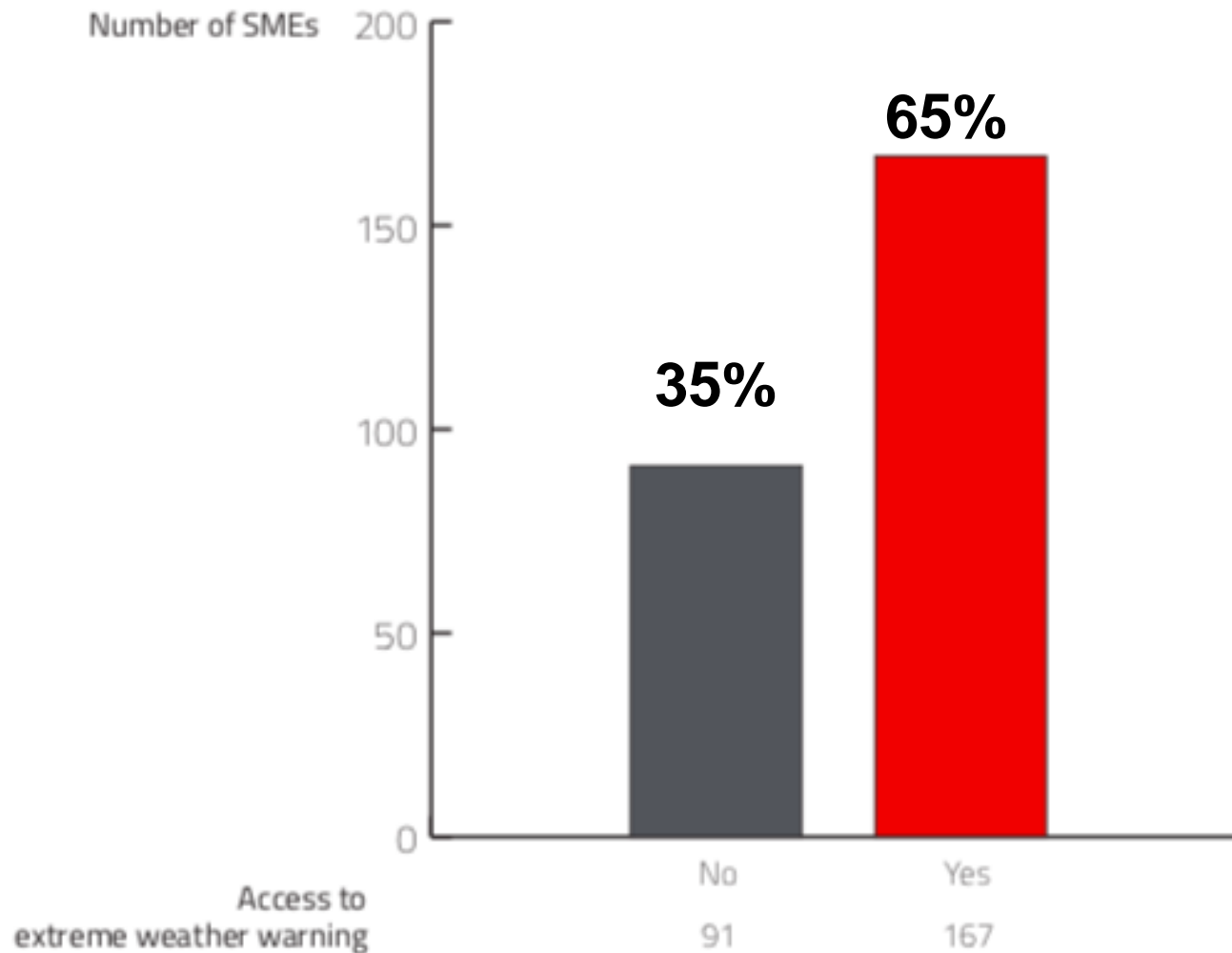
Climate change awareness..

84% aware of climate change

Impacts

- disruption of transport
- change in customer demand,
- loss of customers' income
- destruction business premises

How prepared are SMEs...



57 did not trust the information

Access to climate information

How prepared are SMEs...

- Slightly more than a half have insurance
- Only 47% had taken a loan
- Very few knew about BCPs



Barriers



- Low trust in climate information
- Limited capacity to interpret climate information
- Risk management is not seen as business practice
- Lack of financial resources implement preparedness actions

Opportunities

- **Partner** with business associations to train SMEs on climate risk management
- **Partner** with financial institutions to develop incentive schemes for discounted loans
- **Partner** with insurance companies to incorporate forecast-based financing model





Enhancing EWEA through Forecast-based Financing approach



First FbF activation, Uganda. 2015

Climate Training Kit. Module xx: title

But what is Forecast based Financing?

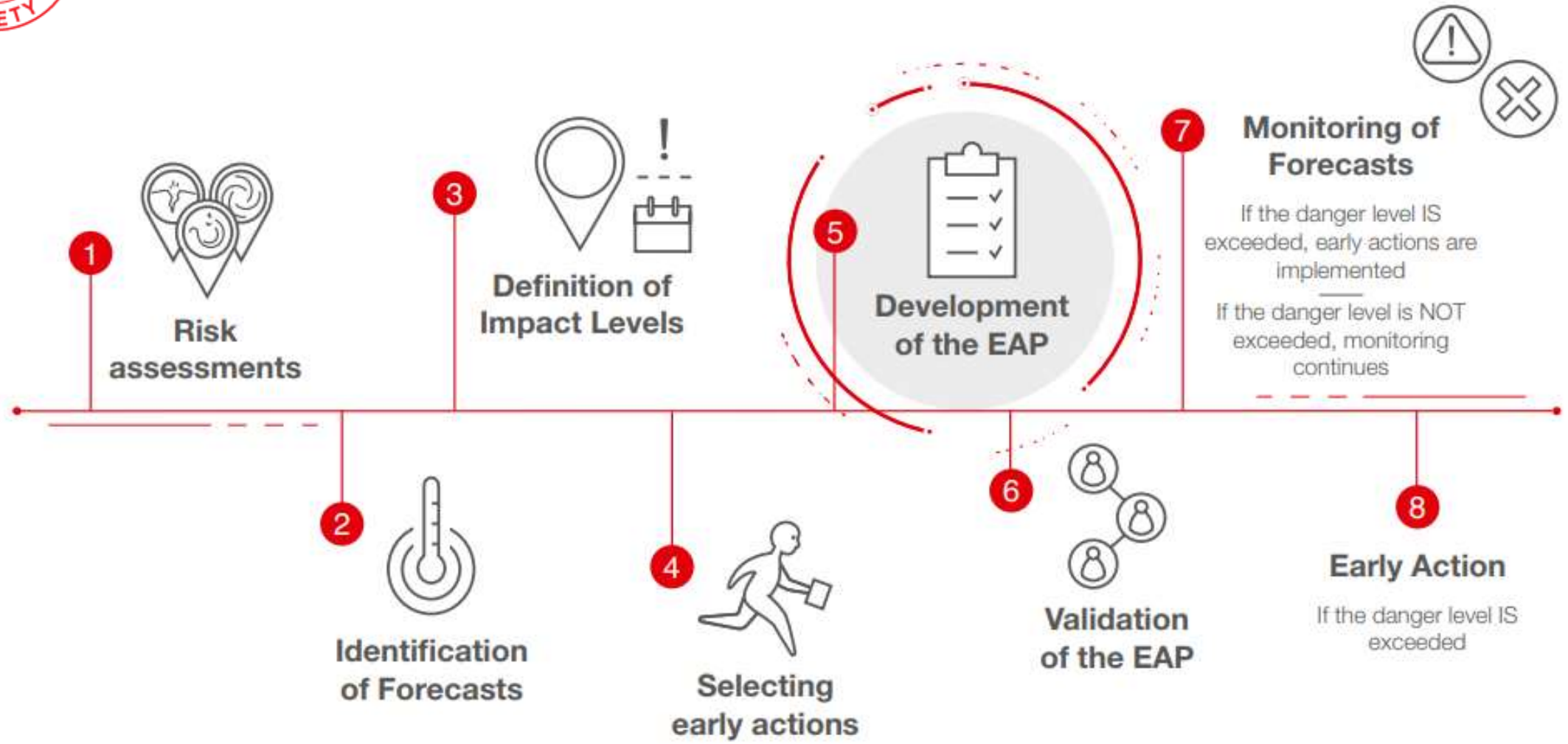


A mechanism that enable access to *funding for early action based on credible forecast and in depth risk analysis*





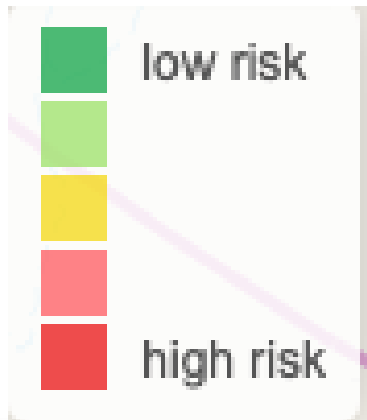
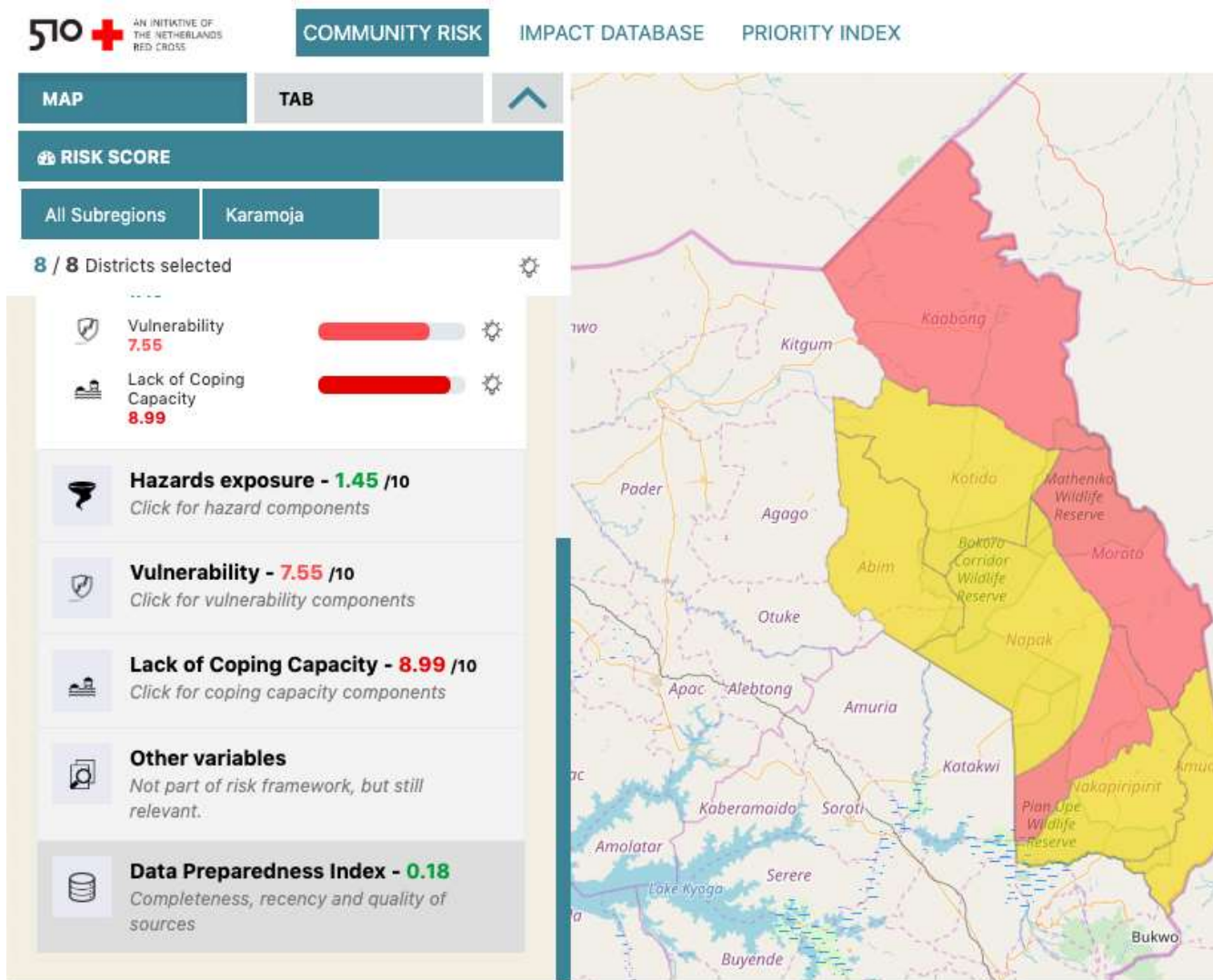
How is Forecast based Financing implemented?



Where are we so far?



Step 1: Risk assessment



District
County
Sub-county
Parish



Technical Working Group

Thematic group

1. Trigger thematic group
2. Early action thematic group
3. Finance thematic group

Who is involved so far?



...and we still need more to join the Technical Working Group

Office of the Prime Minister

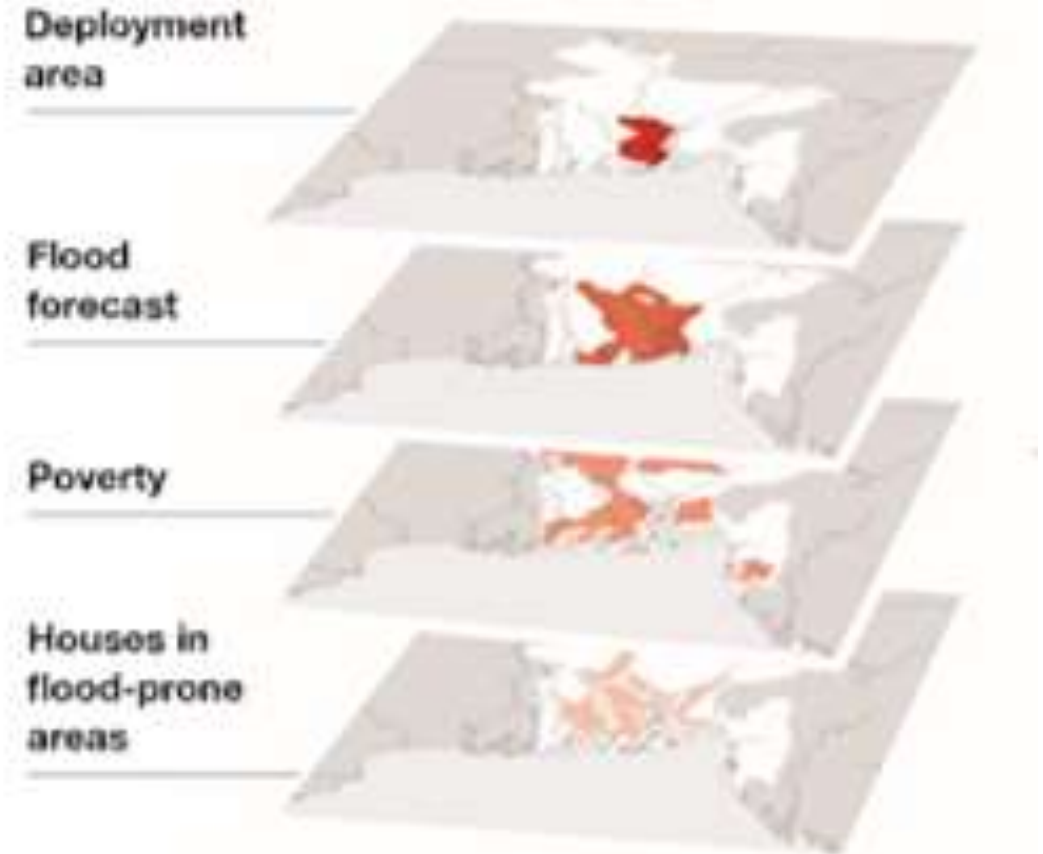




Impact-based forecasting focuses on what a hazard could **DO** in terms of consequences rather than forecasting only what a hazard could **BE**



Develop Impact-based Forecasting



Select forecast-based actions



What actions will reduce risks and help to prepare for a more effective response?



Think Criteria!!!!

- Consistent with Government Contingency Plans
- Prevention/Mitigation of Impact and preparedness for response -
- Scale
- Practicality
- Social acceptability
- Value for Money
- Relevance
- Appropriate financing options
- Efficiency

1: Understanding risk

- DEVELOP RISK MODELS
- OVERVIEW OF VULNERABLE AREAS
- COMMUNITY RISK ASSESSMENT



POPULATION DATA



COMMUNITY RISK ASSESSMENT DASHBOARD

2: Identify impact

- HISTORICAL EVENTS DATA
- ANALYSIS & INSIGHTS
- MACHINE LEARNING
- IMPACT ON POPULATION
- IDENTIFY TRIGGER LEVELS



DATA ANALYSES



MACHINE LEARNING

3: Forecast triggered action

- IDENTIFY VULNERABLE PEOPLE
- TRIGGER RELEASE FUNDS
- TAKE ACTION (E.G. DIRECT CASH)



EARLY WARNING EARLY ACTION



SAVE TIME



SAVE LIVES



SAVE MONEY



IBF IS THE FIRST THREE STEPS OF A LARGER PROCESS CALLED FBF FORECAST BASED FINANCING READ MORE HERE [Red Cross Red Crescent Climate Centre](#)



Kenya
Uganda
Ethiopia
Vietnam
Mozambique