

Consultation Workshop: Building Capacity for Climate Action by SMEs

Date: 26th October, 13:00- 17:30 ICT

Event Platform: MS Teams

Registration Link: <https://forms.gle/FcEJzrPMxJSNRHCu7>

BACKGROUND

Raising the global ambition of the nationally determined contributions (NDCs) and ensuring thorough implementation of the increased emission mitigation targets are necessary to limit global warming to 1.5°C. The Working Group I contribution to the IPCC's Sixth Assessment report confirms that it is indisputable that human influence has warmed the climate system, raising global surface temperature. The report identifies that the level of future emissions will determine the level of future temperature rise and the severity of future climate change and the associated impacts and risks. Recent changes in the climate are widespread, rapid and intensifying and impacts are affecting every region on Earth, including heavier rainfall, intensifying dry seasons and droughts, natural disasters, displacement and food and water insecurities. This calls for an urgent need towards adaptation and resilient actions in addition to mitigation actions. "The climate we experience in the future depends on our decisions now – IPCC Synthesis Report 6th Assessment Group Working Group I – The Physical Science Basis."

Private sector action, including SMEs, will be critical actors in addressing climate change. While governments are responsible for setting the policies that drive change, the private sector has a responsibility to integrate mitigation and adaptation actions into their strategies and investments. Doing so is in companies' self-interest, as it reduces risks, enhances their adaptive capacities to the changing climate, broaden their opportunities in sustainable investments and helps future proof business plans. It will also be important for enabling countries to implement their climate commitments and build climate-resilient nations and to achieve global climate goals.

Private sector involvement is essential for multiple reasons. First of all, given the scale and pace of emissions reductions needed, it is critical that companies across the board urgently act to reduce carbon emissions both in their direct operations and in their supply chains. Secondly, climate change presents material risks to business operations e.g. through infrastructure damage from flooding, droughts and severe weather systems, which in turn introduces

new challenges to a fragile and vulnerable enterprise system, in particular for the SMEs. Thus, it is critical for SMEs to both find ways to mitigate emissions, and to be prepared to deal with future climate impacts to increase resilience.

Small and medium-sized enterprises (SMEs) form the backbone of Asian economies, accounting for an average 97% of all enterprises, 69% of employment, and 41% of GDP in the ASEAN region (ADB, 2020). SMEs can pave the way for greening and adapting to climate change across economic sectors, including industry and manufacturing, agriculture, tourism and energy sectors. However, due to limitations in size, SMEs face larger challenges when it comes to the capacity to understand climate risks, sustainable and climate-resilient business investments and climate-proof their operations, including knowledge about technologies, strategies, policies and process to reduce carbon emissions.

Thus, in building the capacity for climate action by the SMEs, there are four types of needs that can be addressed: i) understanding and incorporating climate risks into business operations; ii) tapping into financial opportunities which include understanding instruments and how to access dedicated funding; iii) practical measures to climate proof business and tap into new business opportunities and iv) general understanding of the policy frameworks and their relevance, for example, NDCs, LTS, NAPs, etc.

This workshop builds on a study conducted by the UN Climate Change Secretariat and International Development Research Centre (IDRC) to identify capacity-building gaps and needs by the SMEs on climate action in South-East Asian countries. This workshop serves to provide an avenue for SMEs and diverse stakeholders to identify capacity and/or knowledge gaps and needs where support is urgently required or is available in regard to climate action - developing your climate strategy, reducing your own emissions and the emissions in your value chain, assess and manage current or potential climate change risks to your business, learn about green finance opportunities that are available, as well as share good practices on Climate Action. This workshop also serves as an avenue to identify areas of cooperation between government officials, private sector stakeholders, development partners, academia and research institutions. The workshop consists of presentations, panel discussions, and breakout sessions.

OBJECTIVES

1. To understand the challenges, capacity gaps and needs faced by the SMEs to engage more actively in climate action

¹ <https://www.adb.org/sites/default/files/publication/646146/asia-sme-monitor-2020-volume-1.pdf>

- To identify areas of actions and cooperation between development partners and other stakeholders to address these gaps and support SMEs and countries as regards engagement of SMEs in Climate Action

TARGET PARTICIPANTS

- UN Climate Change and RCC Bangkok
- ESCAP
- UNIDO
- UN Global Compact Network members
- International Development Research Centre (IDRC)
- Private sector enterprises
- SMEs and their networks
- Chambers of Commerce
- Government representatives - national and local
- Representatives from inter-governmental agencies
- Academia and research institutions relevant to SMEs and private sector

AGENDA

MC: RCC Bangkok

Time (ICT, GMT +7)	Sessions	Presenter (Tentative)
13:00 – 13:15	<p>Opening remarks</p> <p><i>UK COP 26 Ambassador Team(TBC)/ Mr. Faroze Nadar, Executive Director, UN Global Compact Malaysia-Brunei</i></p>	
13:15 – 13:30	<p>Participants' Entry Poll</p>	RCC Bangkok

13:30 – 13:55	<p>Setting the Scene The presentation of key messages from the initial study</p>	UNFCCC Secretariat and RCC Bangkok
13:55 - 14:00	Short break	
14:00 – 15:30	<p>Panel Discussion 1: Initiatives to support Climate Action for SMEs</p> <p>Development partners and representative from the government/research institution will elaborate their support programs to SMEs related to addressing capacity and knowledge gaps, needs and challenges on undertaking support for Climate Action by SMEs</p> <p><i>This session will focus on sharing available information on ongoing projects, capacity building initiatives, knowledge platforms, training programmes, government policies and strategies to enhance the understanding of the SMEs on what is available in this region and help them identify key stakeholders to engage with in future</i></p> <p>Tentative speakers:</p> <ol style="list-style-type: none"> 1. Antonia Yulo Loyzaga, President, National Resilience Council, Philippines – relevant work of ARISE and NRC with SMEs 2. Eric Roeder, Focal Point, Task Force on Disaster and Climate Risk Reduction, ESCAP Business Council Network – relevant work of the ESNB in addressing climate and disaster risks by SMEs 3. Venkatachalam Anbumozhi, Director of Research Strategy and Innovation, Economic Research Institute for ASEAN and East Asia (ERIA), Indonesia - existing ASEAN regional cooperation frameworks that help SMEs to enhance their eco-performance and the role of ERIA 4. Hans Van den Born, Director, Netherlands - Thai Chamber of Commerce - the topic of Sustainability at large co-created with SMEs and zoom into specific sectors for example green building 5. Dominic Patrick Mellor, Principal Investment Specialist, ADB Ventures, Asian Development Bank – private sector finance, especially relating to supporting MSMEs 6. <i>SME Climate Hub (TBC)</i> 	Moderated by RCC Bangkok
15:30 – 15:40	Introduction to Breakout Sessions	

	<p>These breakout sessions will provide an avenue to continue discussions on identified gaps and needs for the SMEs from the previous panel discussions and background report. Participants would have the opportunity to interact with 3/4 speakers in each of the sessions and learn in details from specific examples. These breakout sessions will run in parallel.</p>	
15:40 – 15:45	Short break	
15:45 – 16:30	<p>Breakout Sessions: Building SME’s Climate Action capacities (Fireside chat style interactive discussions)</p> <p><i>Breakout Session 1: Climate-risk informed strategies and investment plans by SMEs (UNFCCC- Moderated and facilitated by Jens Radschinski and Banashri Sinha)</i></p> <p>This session will address the following questions:</p> <ul style="list-style-type: none"> • What are the ongoing initiatives in the region to enhance the understanding of SMEs of key concepts of CC? • Why should SMEs make climate risk informed decisions? • How to come up with climate inclusive strategies for SMEs? <p><i>Tentative Speakers:</i></p> <ul style="list-style-type: none"> • Mayor Bernard Dy, Cauayan City, Philippines - <i>Cauayan City along with the Agricultural Training Institute and Smart Communications launched the Digital Farmers Program (DFP)</i> • Yan Chen, Policy Advisor, GloBE, Sector Project Sustainable Economic Development Division, GIZ, Germany - <i>GIZ Climate Expert Tool - Practical approach to help SMEs analyse climate change risks and opportunities to generate strong adaptation strategies</i> • <i>Representative from SME Climate Hub to share how transnationals work with SMEs on Climate Action</i> <p><i>Breakout Session 2: Climate actions in the time of the pandemic – voice from the SMEs (UNIDO – Moderated by Sooksiri Chamsuk)</i></p> <p>This session aims to address experience from SMEs in addressing the following questions:</p> <ul style="list-style-type: none"> • How to balance sustainability and profitability? 	Moderator from respective organizations

	<ul style="list-style-type: none"> • What does it mean to be sustainable in the long-run and within the context of COVID-19? • What kind of support is available from networks or associations for SMEs in the region and how to access it? <p><i>Tentative SME Speakers:</i></p> <ul style="list-style-type: none"> • <i>Mr Supat from Thai Metal Aluminium, Thailand (energy efficiency measures versus fighting the pandemic- perspective from a manufacturer)</i> • <i>Dato' Ir Muhamad Guntor Tobeng, Gading Kencana Sdn Bhd, Malaysia (solar farm owner perspective)</i> • <i>SME Representative from Philippines</i> <p>Breakout Session 3: SMEs Climate Action in the ESCAP region (ESCAP- Moderated by Eric Roeder) This session aims to share actions by enterprises toward a greener and carbon neutral future:</p> <ul style="list-style-type: none"> • Ms. Marit Nilses, Economic Affairs Officer, SMEs climate actions and APTIR findings (tbc) • ILO representative, A just Transition in the Garment Industry • Green Entrepreneurship 	
16:30 – 16:45	<p>Breakout reporting 5 minute per facilitator</p>	Breakout Facilitators
16:45 – 17:30	<p>Wrap-up discussions on the reporting and collaborative efforts to address the identified gaps and needs</p> <p>Building on the key points from these breakout sessions, the following panel session will lead discussions on how to engage in future to address these identified gaps building on what is available out in the region and how best to capitalize on it</p> <p>Discussants: Eric Roeder – ESCAP; Sooksiri Chamsuk - UNIDO, Jens Radschinski - RCC Bangkok, Gilian Dowie-IDRC, Embassy representative (TBC)</p>	Alejandro Kilpatrick