

CAPACITY BUILDING FOR ENHANCED PRIVATE SECTOR ENGAGEMENT IN CLIMATE ACTION IN EASTERN AND SOUTHERN AFRICA: MAPPING STUDY

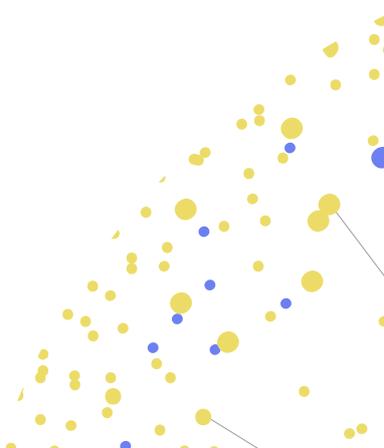
EXECUTIVE SUMMARY

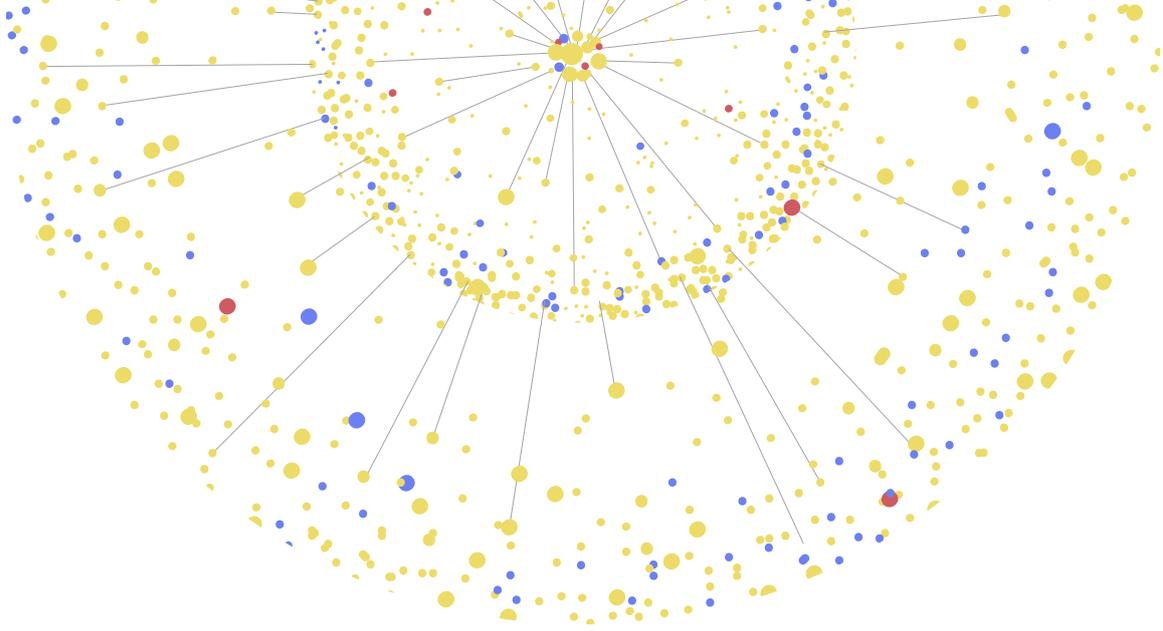


United Nations
Framework Convention on
Climate Change



Regional Collaboration Centre – Kampala
Promoting Action Against Climate Change





Combating climate change requires an all-inclusive approach, based on the engagement of all relevant stakeholders. The private sector is an especially critical stakeholder in climate action, as private sector activities are not only heavily impacted by climate change, but the sector also bears the key to climate adaptive and resilient growth in many of the world's economies. In the Eastern and Southern Africa (ESA) region, which adversely faces the harsh impacts of climate change, the role of the private sector cannot be understated.

Success in climate planning and implementation of mitigation and adaptation actions is highly dependent private sector involvement, in particular small and medium sized enterprises (SMEs), which comprise the majority of private sector players in the region. To address the needs and gaps on climate action, it is important to map the capacity building requirements of the private sector. Adequate and effective capacity building is a major precursor and determinant of successful climate action. It is particularly important that capacity building measures are bolstered to ensure maximum participation of SMEs. This is by prioritizing SME involvement in climate change

awareness, public participation, and training, as well as ensuring that SME concerns are factored into climate policies, plans and strategies.

The main objective of this study was to map out the type of capacity-building for climate action required by the private sector, particularly SMEs. This can help address the needs and gaps on climate action faced in ESA countries. Meeting these needs is necessary to achieve decarbonization and enhanced resilience. The study aims to:

- Improve private sector, particularly SMEs, capacity to contribute to higher climate ambition and collective action in collaboration with academic and research organizations
- Harness potential platforms and other means to engage the private sector in capacity-building initiatives for climate action at different levels
- Develop specialist leaders to engage the private sector in climate actions with emphasis on SMEs
- Provide recommendations for private sector engagement in implementation of NDCs and NAPs

Methodology and Scope

Recognizing the important role played by the private sector in climate action, the International Development Research Centre (IDRC) in collaboration with United Nations Framework Convention on Climate Change (UNFCCC) commissioned a study to map the type of capacity-building required by the private sector in 19 countries in the ESA region: Angola, Botswana, Eritrea, Eswatini, Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, South Africa, South Sudan, Tanzania, Uganda, Zambia, and Zimbabwe.

The study aimed to provide guidance to states in the ESA region on the benefits of capacity building initiatives on climate action for the private sector and how to encourage these initiatives. It begins with an overview of climate impacts in the ESA region and illustrates the common challenges of climate change in ESA

regions such as drought and floods. It also analyses the role of the private sector in climate change action and the capacity building provisions in the Paris Agreement and the UNFCCC. Additionally, it highlights, that there is generally a dearth of information on the climate change capacity needs and gaps specifically facing SMEs. Hence, the need for the study which utilizes a mixed methodology comprising a field survey, key informant interviews and literature review, to obtain relevant data.

The study was undertaken based on a mixed methodology involving a field survey, key informant interviews and literature review. The qualitative results were analyzed by undertaking content analysis and the derived quantitative data were then analyzed using SPSS. The findings were then used to derive the conclusions and recommendations captured in this report.

Findings

The main findings of the study illustrate that private-driven sectors in the ESA region such as agriculture, transport, mining, quarrying, manufacturing and tourism have been affected by climate change. Among the key impacts found were water stress, reduction in crop yields, delays due to disruption of supply chains and changes in cropping seasons. The findings of the study reveal that:

- The majority of SMEs are aware of climate change impacts but lack the requisite knowledge and capacities to address these challenges
- Private sector engagement in climate change governance is minimal and SMEs are hardly involved in preparation of national climate change plans
- It is unclear to what extent SME interests are incorporated in decision-making, more-so for women-run SMEs
- Many SMEs are not aware of the policies and so cannot enact them, highlighting the need for increased communication and capacity building

Challenges faced by SMEs in tackling climate change

- Inadequate financial autonomy
- Limited knowledge
- Limited technical and human resource capacity

SME priorities for climate action support

- Climate awareness raising
- Technical and financial capacity building
- Provision of finances for SMEs to climate-proof their business

Other capacity building needs identified in the study include lack of information on climate change related losses within the ESA region which would serve as an awareness tool for climate change preparation.

The study also establishes that academic and research institutions are actively engaged in capacity building in the ESA region, but their outreach scope among the SMEs is limited. SMEs in the region largely rely on media outlets, and then international organizations, government ministries and lastly academic and research

institutions for climate information.

There is also general scepticism surrounding the climate change information relayed, as SMEs question the quality of information from the various sources.

Illustrating through capacity building actions undertaken by several academic and research organizations in the ESA region, the study emphasizes that academic and research institutions have a key role to play in providing credible information that can be relied on by SMEs at both regional and national level.

Recommendations

Improve private sector capacity to contribute to higher climate ambition and collective action

Based on the findings of the study, there are opportunities that emerge which can be leveraged to foster SME capacity. The study recommends:

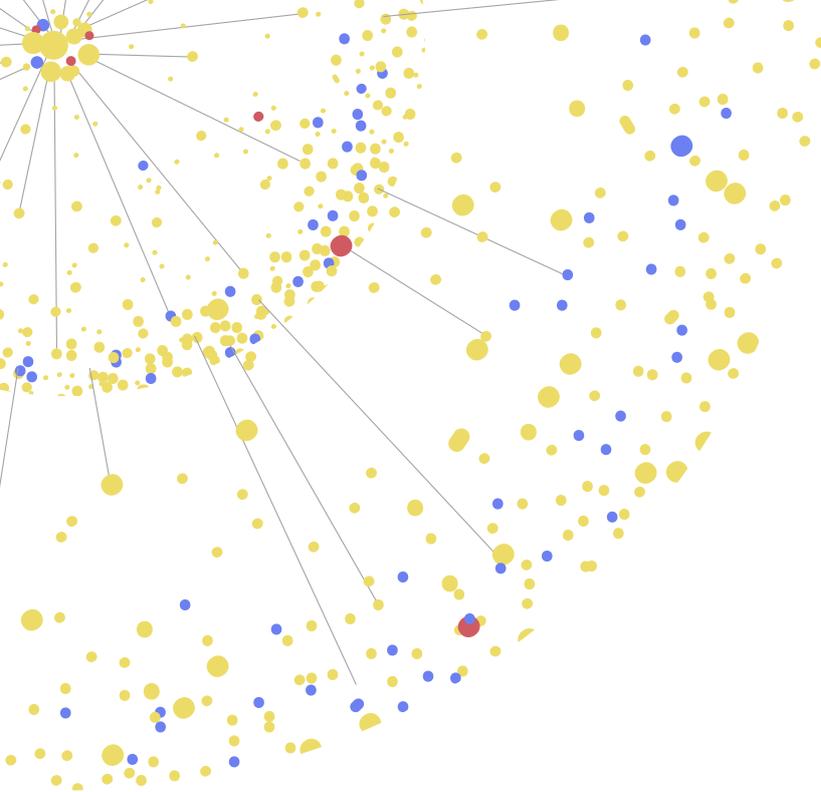
- A multi-actor approach that brings together government, private sector, academia and research organizations to leverage their different complementary strengths in climate action.
- Governments to develop conducive policies that bolster SME ability to mitigate and adapt to climate change, in collaboration with SMEs and other relevant stakeholders.
- Develop guidelines on capacity building accompanied by a process that builds SMEs' understanding of climate policies and strengthens their capacity to comply with them.
- Create collaborative capacity building programmes with research institutions and academia is also highlighted as key to ensuring effective climate action.
- Design effective capacity building programmes that take into account the specific and priority needs of SMEs.

Acknowledgement

This *Capacity Building for Enhanced Private Sector Engagement in Climate Action in Eastern and Southern Africa: Mapping Study* was performed by the Capacity-Building Team of the Means of Implementation Division and RCC Kampala with the support of the International Development Research Centre of Canada. The full report was

produced by Professor Collins Odote and Alfred Aleeje and will be available online.

This summary is produced to provide an overview of findings and speed implementation of the Paris Agreement through SME engagement.



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