

**STATEMENT OF STAKEHOLDERS' CONSULTATIVE WORKSHOP ON SUSTAINING
SMEs IN A CHANGING CLIMATE FOR INCLUSIVE GREEN GROWTH
3-4 JUNE 2019**

Background:

On 3rd and 4th June 2019, Kenya Industrial Estates Ltd, Pan African Climate Justice Alliance and Youths for SDGs forum convened a consultative workshop on sustaining SMEs in a changing climate for inclusive green growth that brought together youths from different counties as well as SMEs, private sector representatives, government representatives. During the 2-day consultative workshop, participants reflected, interrogated and shared perspectives on the opportunities for youths and SMEs to engage in the green growth, financing opportunities and areas of collaborations.

Interrogation of a survey conducted by KIE and PACJA to ascertain the current status of Kenyan SMEs preparedness to effects of climate change revealed low level of awareness on climate change, limited capacity to withstand the negative impacts of climate change and low level of adoption of climate resilient practices among the SMEs. It was acknowledged that SMEs are a major contributor of greenhouse gas emissions and an important sector providing employment opportunities while contributing significantly to the country's GDP, that is, 40%.

Furthermore, SMEs are dependent on natural resources and their operations are threatened by impacts of climate change including drought, famine, floods. As such, SMEs' are critical to propel the country's transition to a green economy regime and achieving the Kenya's nationally determined contribution, Vision 2030, Kenya climate change action plan 2018-2022, the big four agenda and the sustainable development goals

Issue One:

Description

Low level of awareness on green growth amongst the SMEs and other stakeholders coupled with inadequate finances have been cited as major hindrance to SMEs transition to green growth. SDG 13 target 13.3 and 13.4 recognizes capacity building and resource mobilization, respectively, as building blocks for tackling climate change.

Decision

1. Organize capacity building workshops for SMEs on the climate change and green growth nexus.
2. Create a climate fund to climate proof SMEs
3. KIE to include a component of green practices as a precondition for SMEs accessing their incubation services.

4. Create model green SMEs in different counties as a means of creating awareness and building capacity of SMEs to engage in green growth.

Issue two

Description

The transition to a low carbon emission development pathway can only be achieved and catalysed by embracing innovations. SMEs and youth are key stakeholders for engagement in climate change governance, that provides space and opportunities in creating green growth innovative solutions that respond to climate and tap into existing climate financing sources.

Decision

1. Establish a designated desk/unit domiciled at PACJA, where youths can share their innovations after which they can receive further guidance and support from relevant stakeholders.
2. KIE to incubate youth led innovations and ideas that promote green growth.
3. Stakeholders to support further research work on green growth.

Issue three

Description

Noting that climate change cannot be viewed separately from development, there is a need to mainstream climate change in all sectors of the economy and organizations.

Decision

1. To engage an intern at KIE to enhance KIE's capacity on climate change and provide support to climate proof SMEs.
2. To identify and support training opportunities for stakeholders on climate change and green growth.
3. The government through different agencies can promote green growth through policies encouraging procurement of only green products and incentives towards green production and consumption.

Summary from the workshop: Green Growth and SMEs

Climate change is a global concern with far reaching impacts on livelihoods of people and communities and has resultant effects on the economy and economic activities especially on the key drivers of Kenya's socio-economic development- SMEs as they are highly vulnerable to effects of climate change.

SMEs are key in the climate change space are very crucial innovations and business they develop, SMEs make the bulk of Green Growth in Kenya and contributions to GDP, and their contribution of SMEs in Kenya

There is need to assess the current status of Kenyan SMEs preparedness to deal with the effects of climate change, by establishing SMEs' knowledge and awareness of climate change, identifying measures adopted by SMEs to mitigate effects of climate change, finding out measures established by SMEs to adapt to climate change, examining SMEs' resilience to effects of climate change and finally to establish necessary interventions to needed to enable SMEs mitigate/ adapt and be resilient to climate change.

There is urgent need to create awareness among SMEs about climate change, its causes and impact to their business operations. Build the capacity of SMEs to acquire and implement green technology/energy/ finance/ infrastructure and provision of affordable and timely credit; training/ awareness /sensitization /exposure forums/workshops, and tax incentives to be able to build resilience to effects of climate change.

Climate Change Action faces **challenges**, inadequate resource allocation inadequate technical and institutional capacities – exacerbated by high turnover in public Lack of alignment with national/county development goals, objectives and priorities, lack of ownership across implementing sectors and subnational entities, socio-economic benefits often not well communicated and yet from a developing country perspective. However, **lessons** have been drawn from mechanism in implementation of climate action process in Kenya by mainstreaming in policy, planning, budgeting and implementation is an indication of political ownership/goodwill & shift from project based approaches to more sustainable forward-looking approaches.

SME's and Youth –are Key stakeholders for engagement in Climate change governance, that provide space and opportunities in creating green growth Innovative solutions that respond to climate change and tap into existing climate financing sources.

