

BECOMING A CLIMATE RESILIENT SME

Coaching programme to strengthen the competitiveness of SMEs in international value chains

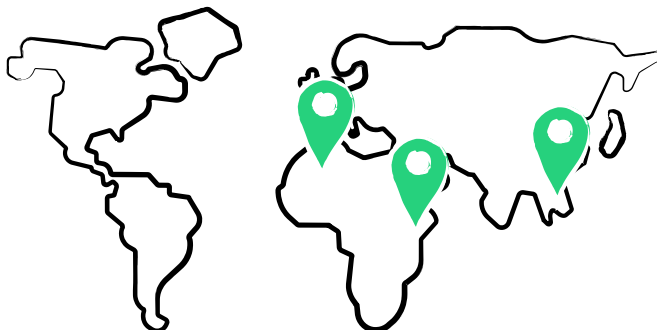
Overview

The climate resilience coaching programme activates SMEs in international value chains to better manage climate induced business risks. It aims to increase the competitiveness of SMEs by addressing production losses, energy supply disruption, transport disturbances, water shortages as well as by opening new business opportunities through newly arising product and service demands.

The coaching programme is based on the "Climate Expert Approach" developed by the German Development Cooperation (GIZ) and financed by the Federal Ministry for Economic Cooperation and Development (BMZ).

Due to the interdependency of value chain actors from production and processing to consumption, climate induced business risks can spread across the value chain, as soon as one actor is affected by the impacts of climate change. Collaborative and proactive management of climate risks among value chain actors through the creation and implementation of climate resilience strategies is crucial. It translates into more stable business operations and transactions along international value chains and leads to sustainable growth of both local and international businesses.

The coaching programme is implemented with SMEs in different sectors in a number of International Trade Centre (ITC) projects, see the world map above.



NEW PROJECTS

Project: GreenToCompete Hubs

Donor: SIDA

Sector: Tea, coffee, medicinal and aromatic plants, ecotourism

Countries: Kenya, Nepal

PAST PROJECTS

Project: Climate Resilience Project

Donor: BMZ

Sector: Textile, agri-food, coffee, tea, flowers

Countries: Morocco, Kenya



Benefits for SMEs

The coaching programme activates SME competitiveness through:

- 1 **Increased resilience to climate risks**
- 2 **Business continuity and stable transactions in international value chains**
- 3 **Cost savings as well as improved operational and resource efficiencies**
- 4 **New business opportunities through the development of new products and services**
- 5 **Access to green finance**
- 6 **Anticipation of regulation**
- 7 **Improved reputation**

The coaching programme

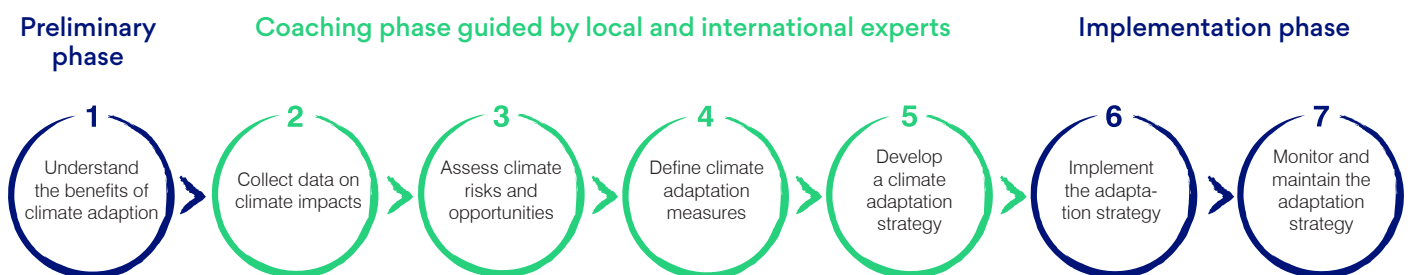
The customized coaching programme starts with a climate impact assessment of the targeted value chains and the analysis of localised climate data in the main production regions in the target country.

Thereafter, past and potential future climate impacts of the selected SMEs are jointly identified and assessed with the local and international experts. Based on this, the experts advise the SMEs on the identification of measures to reduce climate-induced risks and to seize arising business opportunities. The shortlisted measures are assessed from a financial perspective and compared through a cost-benefit analysis. Finally, a climate adaptation strategy and related

communication plan are developed outlining the concrete steps to be taken. To ensure the implementation of the strategy, the SMEs can benefit from further guidance on accessing (green) finance, technology and expertise.

The coaching programme is implemented according to the following schedule:

The coaching programme is complemented by in-depth workshops on common pressing issues for SMEs to become climate resilient. The concrete workshop topics are jointly identified with the SMEs and their international buyers taking part in the project.



Online learning

In parallel, SMEs participate in the online learning course “Becoming a climate resilient SME” hosted on ITC’s SME Trade Academy. The course is also open to the public and an ITC certificate will be issued upon completion.

➤ <https://learning.intracen.org/course/info.php?id=326>

Engagement of international buyers and financiers

International buyers including brands, retailers and manufacturers take an active role in the design and implementation of the programme. Buyers can nominate suppliers to join the programme and participate in the coaching process - starting from the sensitization workshop, to customized coaching sessions all the way to the implementation of the identified adaptation measures. Benefits for international buyers include improved environmental sustainability of their supply chain, collaboration and an active dialogue with their suppliers beyond existing commercial ties, as well as drawing from lessons learnt for a potential

replication of the project with further suppliers and in other sourcing countries.

Financiers including commercial and development banks as well as traditional and impact investors also form an integral part of the programme. They inform SMEs early on about existing green finance offerings and are invited to consider to financing bankable adaptation measures. In this way, financiers can access a pipeline of interesting bankable projects and SMEs.

