

# SCALING CLIMATE ACTION THROUGH TECHNOLOGY AND INNOVATION BY SMEs

Under

Private Sector Investment Initiative for  
Nationally Determined Contributions(NDCs)  
in Africa

***FAPA-Funded***

***Private Sector Initiative for African  
Nationally Determined Contributions  
(NDCs)***



## African Development Bank

Climate Change and Green Growth Department(PECG)



natural eco capital

# SMEs' Participation in Climate-related Investments that support Implementation of Nationally Determined Contributions (NDCs)

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*At a Webinar on*

**Mainstreaming Climate Change in Lines of Credits of Financial Institutions**

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# Outline

Background

Nationally Determined Contributions

Implementation of the NDCs

Private Sector Engagement

Areas of Intervention for SMEs

Conclusion

## Climate change is threatening national development across all sectors

1.  
More extreme weather – floods and droughts



2.  
Loss of agriculture and increased water scarcity

3.  
Up to 11% GDP loss by 2020 without adaptation and mitigation



4.  
Damage to roads, buildings, transport, energy facilities

Increased instability/insurgency

## BACKGROUND

- The location and size of, and the characteristics relief in Nigeria give rise to a variety of climates ranging from Tropical rainforest climate along the coasts to the Sahel climate in the northern parts of the country.
- Nigeria has a population of about 200 million impacting on the physical environment through their various activities within area of 923,000 square kilometers.
- This coupled with variabilities in elements of climate such as rainfall and temperature exposes the country to the impact of climate change.
- Nigeria's economy is dependent on sectors that are either climate sensitive or contribute to climate change such as agriculture, forestry, fisheries, which together employ up to 70% of the workforce, and additionally, oil and gas.

# The 'Paris Agreement'



195 countries, including Nigeria, adopt first universal, climate agreement to:



Keep temperature well below 2°C



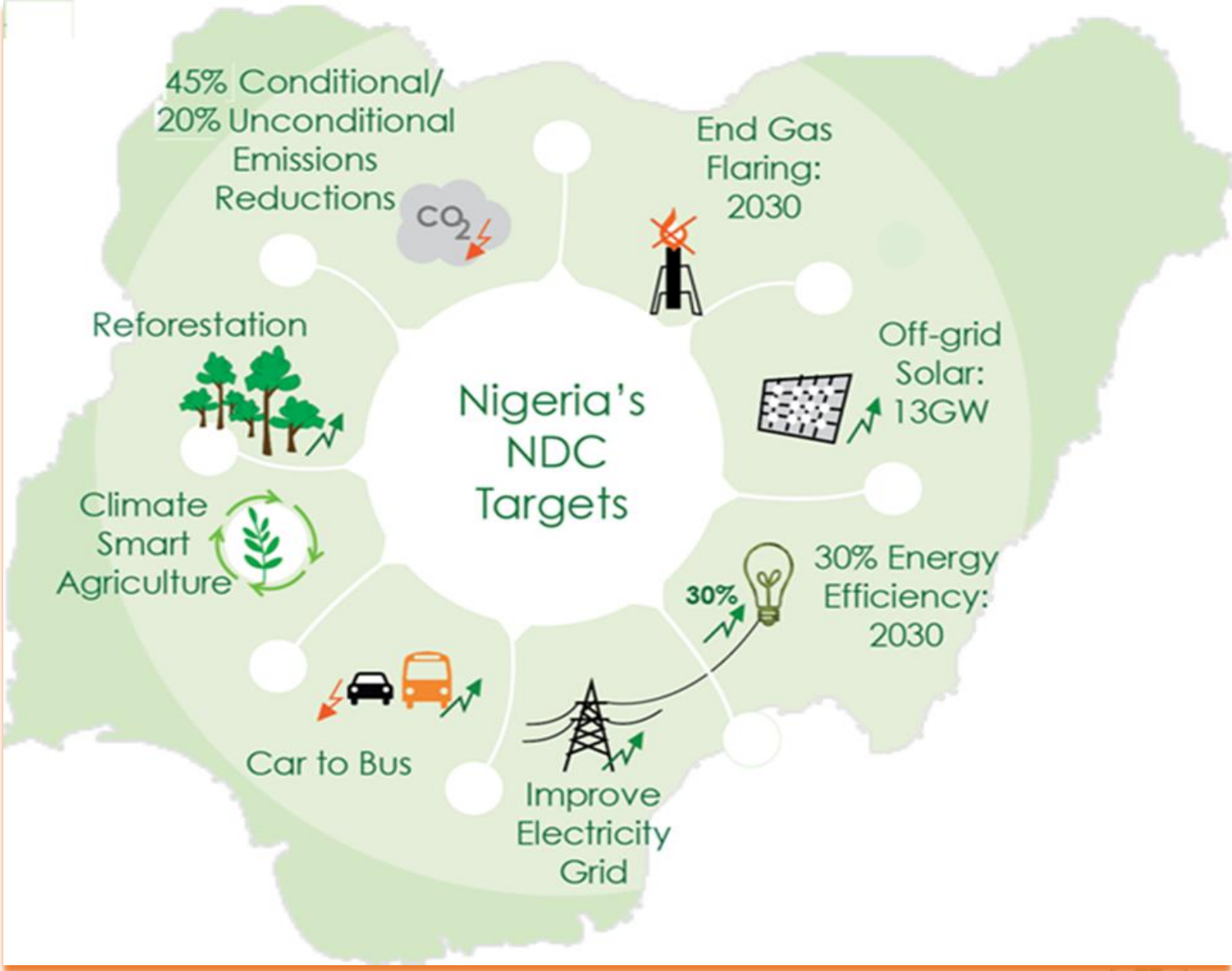
Provide more than \$100 billion in support from developed to developing countries



Increase support for technology transfer and capacity building

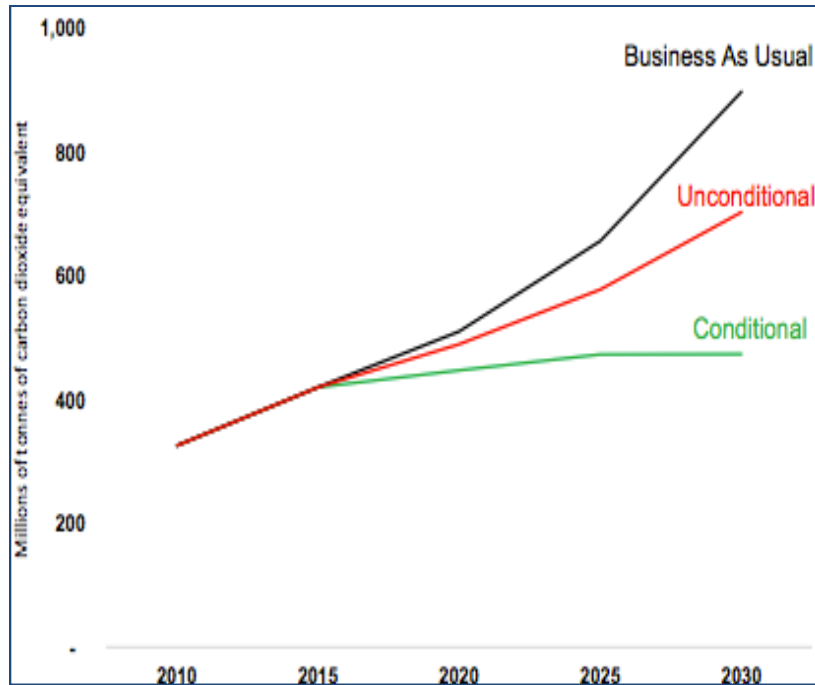
- To achieve its ambitious long-term goals, the Paris Agreement introduced a few new mechanisms and processes to the international climate change regime.
- The starting point for this “ambition mechanism” is a Party’s nationally determined contribution (NDC) submitted to the United Nations Framework Climate Change Convention (UNFCCC), which pledges certain types of actions to reduce emissions and strengthen resilience and adaptive capacity to climate change impacts.

# NIGERIA'S NATIONALLY DETERMINED CONTRIBUTIONS



Nigeria's Nationally Determined Contributions (NDC): emissions reductions of 20-45% by 2030 is a fundamental shift in our growth pathway

### Trajectory under Business-as-Usual



With economic growth of 5% per year, emissions are expected to grow to about 900 million tonnes per year in 2030

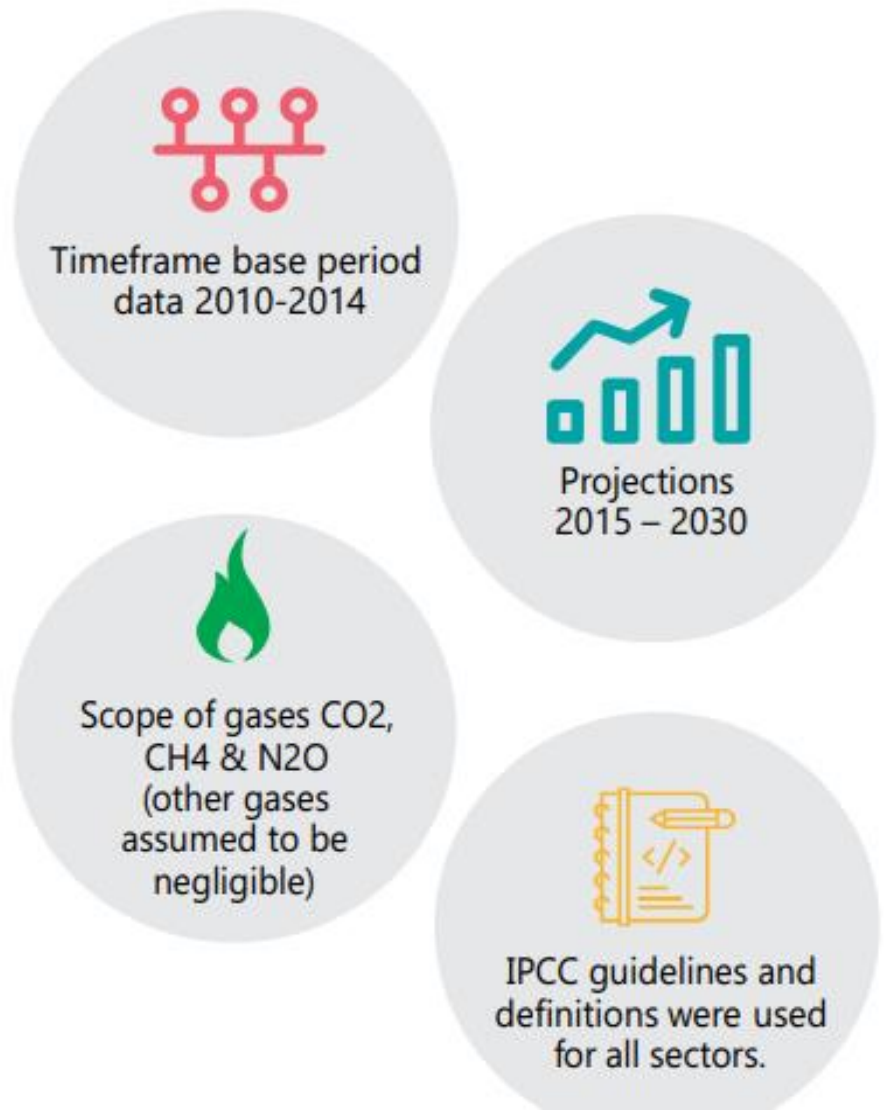
### Key Mitigation Measures

MEASURE	POTENTIAL GHG REDUCTION (million tonnes per year in 2030)
Economy wide energy efficiency	179
Efficient gas power stations	102
Work towards ending of gas flaring	64
Climate smart agriculture	74
Reduce transmission losses	26
Renewable energy	31

Mitigation measures could reduce emissions by around 45% compared to business as usual



## KEY ASPECTS OF THE NDC

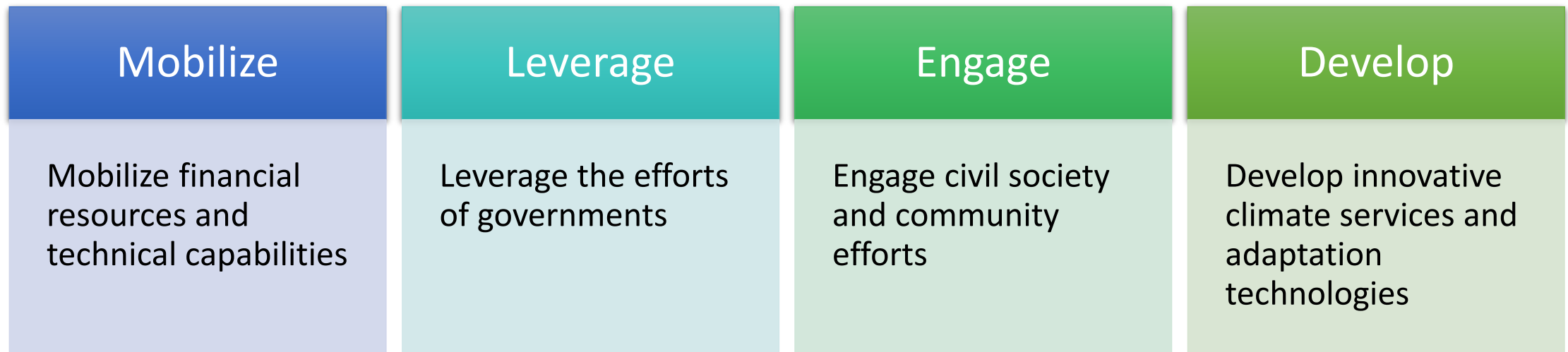




# Implementation of the NDCs



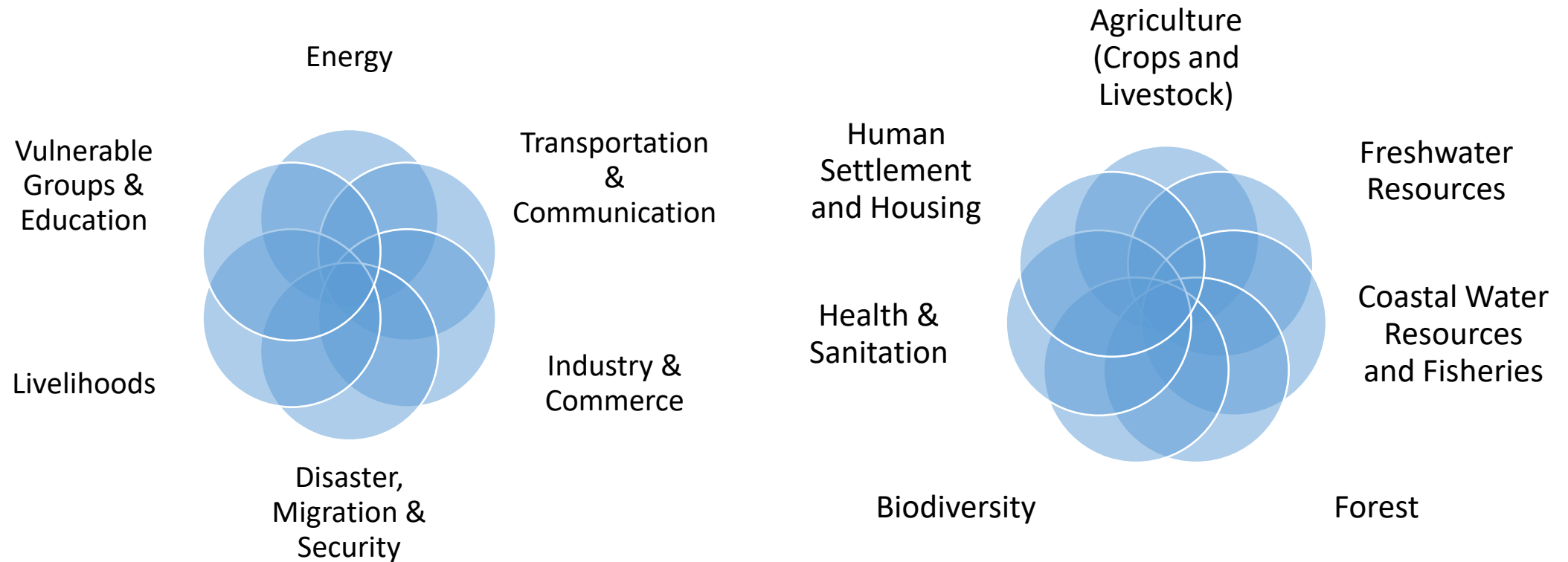
# Engaging the private sector is essential for multiple reasons:



# Areas of Intervention for Small and Medium-sized Enterprises (SMEs)

- SMEs are the drivers of economic growth in Nigeria.
- Their viability is threatened by climate variability and extreme weather events.
- The possible consequences of climate change include job losses and declining economic growth.
- Its impacts on businesses can be direct, such as damage to buildings and locations, or the disruption of production processes
- But the impacts can also be indirect, with the increasing scarcity – and rising prices – of resources such as water and energy, the disruption of supply chains and changes in demand for produced goods.
- At the same time, the need to adapt to climate change may create a new demand for products and services, and prompt new business opportunities.

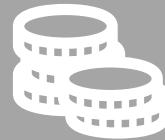
# Areas of Intervention for Small and Medium-sized Enterprises (SMEs) – *Relevant Sectors*



# Identified Actions to Operationalize Low Carbon Development Strategies



Establishing a cohesive institutional framework and supporting policies and regulations for effective implementation across many sectors



Financing the costs of low carbon interventions



Creating partnerships for implementation

# Conclusion

**The costs of creating a low-carbon global economy are high, with an estimated cost of over \$140 Trillion by 2030 (approximately \$10B per annum) for a holistic and efficient implementation of Nigeria's NDCs. It is thus relevant to note that in addition to international finance and investment, technology and capacity-building required to achieve the intended contribution, the need for the domestic share cannot be overemphasized.**