GreenToCompete
WTO MSME Informal Working Group

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February 08, 2022
## MSMEs in the green transition

### Competitiveness forces

1. Value chain risks from climate hazards (product quality, costs/margins, logistics)
2. Environmental externalities of business (emissions, waste, input efficiency)
3. Opportunities in environmental markets (e.g. climate services, certified products).

### Observed challenges

- Limited awareness of opportunities and the business case for “going green”
- Limited access to adaptation skills and technologies (markets, tariffs etc.)
- Low productivity
- High costs of investment and compliance with market access requirements (e.g. VSS)
- Limited access to climate finance and insurance, particularly by small-holders.

### Green Aid for Trade

- Improve stakeholder understanding of value chain risks and opportunities
- Define strategies to address risks and grasp any opportunities
- Build MSME capacity to strengthen resilience and thrive in green markets
GreenToCompete is ITC’s Activator towards a green economy that profits both planet and people.

**Key themes**
- Climate resilience
- Circularity
- Bioeconomy

**How we activate**
- **Agenda setting**: Policy and data
- **Markets & Finance**: Work with ecosystems actors to unlock green technologies, services and finance for MSMEs and to connect them to sustainable markets
- **Green capacity**: Support MSMEs to drive green change

**Activation channels**
- Capacity building, tools & methodologies
- GreenToCompete Hubs and networks
- Platforms for dialogue and events
- Thought leadership

**Our clients**
- SMEs and ecopreneurs
- BSOs
- Policy makers
- Mainstreaming in ITC
Circular economy

• **Resource Efficiency and Circular Production (RECP) Toolkit** to support SMEs to use resources (water, energy, chemicals) more efficiently and implement circular production practices (reuse waste)

• **Coaching programme**: sector and sustainability experts assess current practices on site and calculate the business case to implement RECP measures

• **16 countries** in textiles & clothing as well as agri-processing sectors

• **Impact**: contributes to pollution and CO2 emissions reduction

• **Scale through development of online platform** for MSMEs to assess their environmental performance, and to provide training on how to improve their performance through the GreenToCompete virtual learning space
Climate resilience

- **Assessment of climate risks and opportunities** in value chains as well as the identification of climate technologies to actively build resilience

- **Online platform** to provide transparency about climate impacts and opportunities in different value chains under development

- **Direct work with MSMEs through Climate resilience toolkit** to supporting them to adapt to climate change through risk assessment and the definition and implementation of adaptation strategies – implemented through a coaching programme

- **Publications:**
  - 2021 SME Competitiveness Outlook on the green recovery
  - 2022 Handbook for development practitioners on climate resilience
Green finance

- **Green finance landscape mapping** providing an overview of green financiers and the conditions for MSMEs to access finance
  - Three upcoming publications on Kenya, Ghana and Vietnam

- **Coaching methodology** so support MSMEs to access finance for the implementation of green projects through a three-step approach: i) financial diagnostic and health check of the MSME, ii) direct coaching to help MSMEs to address gaps, iii) support to connect them with financiers and develop bankable business plans and investor pitch decks

- **Partnership with the eco.business Fund** to provide a self-assessment solution for businesses to assess their compliance against sustainability standards and potentially access preferred bank loans based on their sustainability score.
Agenda setting and advocacy

• Supporting policy makers and stakeholders both locally and multilaterally to establish an enabling policy ecosystem for MSMEs to go green by:

• Shaping **international trade and environment policy:**
  - Series of informal dialogues in collaboration with UNEP and the Geneve Graduate Institute to ensure that priorities of developing countries are reflected into ongoing **multilateral processes on trade & environment (COP, TESSD, WTO discussions CTE, Stockholm +50)**
  - **Contribute to agenda setting** for policy makers (e.g. through policy briefs)

• Informing **national trade and environment policy**, e.g. through greening of national export and sector development strategies – paper in collaboration with Kenya will be published in Q1 or Q2 2022
The GreenToCompete Hubs

A global network of GreenToCompete Hubs activating MSMEs to go green by:

- **Sustainability**: Created a framework for building the capacity and funding for offering green services for MSMEs and formed a global network to drive the green transition
- **Scalability**: to “quickly” implement and scale new green offerings globally through multiplier effect
- **Innovation**: Developed a series of green service offering for MSMEs
- **Advocacy**: Inspiring and advising other BSOs to develop green services for MSMEs & shaping green trade policy makers and ecosystem stakeholders to build enabling environments

First set of countries:
Caribbean - Barbados, Guyana and St. Lucia, Ghana, Kenya, Laos, Nepal, Peru and Viet Nam

Main sectors:
Agri-food, natural ingredients, textile & clothing and eco-tourism
GreenToCompete Hubs: Strengthening green competitiveness
– of more than 4500 MSMEs directly by end of 2022

Enhancing competitiveness
Scancom, Viet Nam: Increasing resource efficiency and improving productivity

Accessing green finance
Miyonga, Kenya: Investment of 300k USD secured for mobile solar drying truck to reduce waste

Increasing Sales
Shiwi, Peru: Selling sustainably sourced food ingredients from the Amazon online
Thank you

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