



ADAPTATION FUND

Adaptation Fund Project

“Unlocking investments in gender and youth-inclusive early-growth stage adaptation Small and Medium - sized Enterprises in Kenya and Uganda”

National Stakeholders Consultation Workshop on Climate Adaptation

Nairobi, Kenya

Mövenpick Hotel, Nairobi

Friday, 28th April 2023, 7.00 am - 1.00 pm EAT



1. Introduction

UNIDO as Adaptation Fund accredited Implementing Entity, in partnership with Kenya Climate Ventures and Finding XY and adelphi are preparing a project on “Unlocking investment in gender and youth-inclusive early-growth stage adaptation Small and Medium-sized Enterprises in Kenya and Uganda” under the Adaptation Fund's Innovation Funding window. The project seeks to fulfill the potential of adaptation Small and Medium Enterprises to provide cost-effective and localized adaptation solutions to vulnerable communities in Kenya and Uganda

The main Components of the Project are:

- **Component 1:** Regional coordination platform to connect adaptation, climate smart financing, entrepreneurship, knowledge management and promote cross learning
- **Component 2:** Innovative performance - based blended financing mechanism, investment brokerage services and direct enterprise support.
- **Component 3:** Local financing institutions support gender- and youth inclusive adaptation SMEs.

Based on reviews of studies on gender- and youth inclusive adaptation SMEs in Kenya and Uganda, the main target group of this project, conducted by Finding XY in Uganda and Kenya Climate Ventures in Kenya showed that adaptation SMEs operate across regions and counties, tackling diverse climate - related challenges of local customers and beneficiaries. This review exercise determined the following challenges affecting adaptation SMEs that will be addressed by the project objectives;

- **Challenge 1.** Lack of a coordinated approach towards supporting the role of adaptation SMEs in the various economies;
- **Challenge 2.** Lack of access to appropriate finance to support early growth - stage adaptation SMEs in Kenya and Uganda;
- **Challenge 3.** Limited support from conventional Financing Institutions to adaptation SMEs in Kenya and Uganda.

2. The Workshop Objective

To close the gaps, a National Stakeholders Consultation Workshop on Climate Adaptation and Private Sector will discuss the proposed approach and engagement to strengthen adaptation entrepreneurship, gender and youth lens entrepreneurship, climate smart lending, markets and communities resilience, knowledge management and cross learning to address the above challenges.

3. The Workshop Participation

The workshop brings together 50 - 70 multiple stakeholders to tackle the challenges and identify pathways to addressing climate change through climate adaptation SMEs. Key stakeholders to be represented in the workshop will include public sector – National ministries, departments and agencies, County Governments and the Council of Governors, Financial Institutions (FIs), Development Financial Institutions, Impact Investors and selected climate adaptation SMEs, UN agencies, Development partners, Business Development Service (BDS) providers and the representatives of potential clients/ end-users of climate adaptation solutions offered by climate adaptation SMEs (vulnerable groups representative).

4. The Workshop Structure

This will be a hybrid workshop, with both physical and online participation. The workshop will include plenary and group breakout sessions.

The workshop will feature four main discussion segments;

i. **Setting the Scene:**

- Plenary address by conveners _ Focal Point - Ministry of Environment, Climate change and Forestry, UNIDO, Kenya Climate Ventures and Kenya Private Sector Alliance and Embassy of Denmark.
- Introduction to the Project - Unlocking investments in gender and youth-inclusive early-growth stage adaptation Small and Medium-sized Enterprises in Kenya and Uganda, highlighting key challenges faced by climate adaptation SMEs, vulnerable groups and practical solutions.

ii. Facilitated detailed group - based discussions on the proposed regional coordination platform, proposed innovative financing mechanisms, direct enterprise support and investment brokerage service, gender and youth-lens and inclusive investing

iii. Facilitated feedback on the project components and next steps.

5. Workshop Outputs

By the end of the workshop, the organizers would like to achieve the following;

- Recommended roles and structure of the National Coordination Platform
- Recommendations to improve access to appropriate financing and support to climate adaptation SMEs, vulnerable groups and Financial Institutions.
- Action plan with Next steps and Parties responsible.

6. The Workshop Agenda

a) Plenary

7.00 - 8.30 am	Opening Remarks	<ul style="list-style-type: none"> • Humphrey Wattanga - Investment Committee Member, Kenya Climate Ventures • Joseph Gathagu – Deputy Director of Industries, Ministry of Investment, Trade and Industry • John Kabue - Environment, Water and Natural Resources Sector Board, Kenya Private Sector Alliance • Charles Wasike - Programme Officer, Embassy of Denmark • Linet Luvia - Deputy Representative, UNIDO Kenya • Dr. Pacifica Ogola - Director of Climate Change, Ministry of Environment, Climate Change and Forestry, Adaptation Fund Focal Point 	Moderator: Paul Mbole
8.30 - 9.30 am	Introduction and Overview of the Project	<ul style="list-style-type: none"> • Victor Ndiege, Kenya Climate Ventures • Julia Rohe - Frydrych, adelphi 	
9.45 - 10.00 am	Questions and Answers to the plenary session		

b) Group Sessions;

Time	Session	Participants / Responsible	Guiding Questions/ Discussion Points
10 am - 12:00 noon	<p>Break - out sessions: Participants are divided into the following sectorial focus groups to discuss the respective work packages and sector - related policy environment, capacity-building needs, challenges and successes, the issues of youth and gender.</p> <p>Facilitated by KCV and adelphi</p>		
	<ul style="list-style-type: none"> • Regional Coordination Platform 	<ul style="list-style-type: none"> • Participants, as grouped <p>Facilitator: Paul Mbole</p>	<p>Guiding questions:</p> <p>Setting: Overall feedback on the design of the Regional Coordination Platform Incl. Adaptation Action Steering Committee (Component I);</p> <ul style="list-style-type: none"> • What set up would be most beneficial for the Regional Coordination Platform and its Adaptation Action Steering Committee in terms of roles and responsibilities? • What existing platforms for structures could be used to anchor the planned Regional Coordination Platform in-country and to ensure the sustainability of the project? • What benefits can be expected from the project's regional approach for Ugandan ecosystem stakeholders (e.g. in terms of exchange/interaction with Kenyan counterparts).

			<ul style="list-style-type: none"> • Is there criteria of participating stakeholders in becoming part of the Adaptation Action Steering Committee and playing an active role here?
	<ul style="list-style-type: none"> • Catalytic Finance Facility, and investment brokerage services 	<ul style="list-style-type: none"> • Participants , as grouped <p>Facilitator: Julia Rohe-Frydrych, Mark Ameyo</p>	<p>Guiding Questions;</p> <p>Setting: General feedback on Component II and III of the project outline:</p> <ul style="list-style-type: none"> • What would be the most suitable blended financing mechanisms to mobilise private sector capital into Climate Action? • What are enabling factors for commercial banks in Kenya to invest in climate-smart SMEs? • What are existing financing products in the Kenyan market targeting or accessible by adaptation SMEs? • What training needs do FIs in Kenya have in terms of adaptation/ climate finance? • What risk considerations define review and flow of capital to climate adaptation enterprises?
	<ul style="list-style-type: none"> • Gender and Youth Inclusive Investing 	<ul style="list-style-type: none"> • Participants, as Grouped <p>Facilitator: Anne Tek</p>	<p>Guiding Questions;</p> <ul style="list-style-type: none"> • What are the key barriers of women and youth entrepreneurs to access commercial financing?, and what are some of the examples of facilities that

			<p>have attempted to address the barriers?</p> <ul style="list-style-type: none"> • What are good practice measures to improve gender- and youth empowerment as part of investment readiness/ direct enterprise support programmes (e.g. childcare offer during workshop sessions, women/ youth-exclusive cohorts, additional financial support like grants for purchasing collateral)? • Would women/youth entrepreneurs benefit from a Women/ Youth Business Club as a networking platform to discuss challenges, opportunities and ways to increase awareness among policy makers/ financiers? Are there existing structures/ platforms where such forum could be integrated?
	<ul style="list-style-type: none"> • Ecosystem and Direct Enterprise Support 	<ul style="list-style-type: none"> • Participants, as grouped <p>Facilitator: Belinda Kageni</p>	<p>Guiding Questions:</p> <ul style="list-style-type: none"> • What are the most suitable communication channels to reach adaptation enterprises located in remote areas/ with limited access to internet (and other media)? • What type of inclusive language/ wording can be used to attract specifically adaptation enterprises led by women or marginalised groups?

			<ul style="list-style-type: none"> • What is your experience offering investment readiness and other support to adaptation enterprises in Kenya? , how is this clientele different from other SMEs? • What specific knowledge products could be beneficial for the Kenyan ecosystem?
12:15 - 12.40 pm	<ul style="list-style-type: none"> • Reporting of break-out groups to the plenary (5 min per group) 	Facilitator: Paul Mbole, Anne Tek , Julia Rohe – Frydrych, Belinda Kageni	- Key Take Away for each Group Session
12:40 – 13:00 pm	<ul style="list-style-type: none"> • Outlook and Next Steps 	KCV and adelphi	<ul style="list-style-type: none"> • Timeline with next steps towards submission and potential project start.
13.00-13.10 pm	<ul style="list-style-type: none"> • Closing Remarks 	Job Kihumba – KCV Board Member	
13:10 - 14:00pm	Lunch		

7. About the Conveners

1. Ministry of Environment, Climate Change and Forestry

Ministry of Environment, Climate Change and Forestry, www.environment.go.ke/, promotes and facilitate good governance in the protection, restoration, conservation, development and management of environment and forestry resources for equitable and sustainable development. It is the Adaptation Fund Focal Contact.

2. Kenya Climate Ventures

Kenya Climate Ventures (KCV), www.kcv.co.ke, is a climate impact investor that seeks to accelerate access to climate smart solutions by providing tailored and targeted financial, technical assistance and business development support (including managerial assistance) to innovative early and growth stage businesses. KCV invests in businesses working in agribusiness, commercial forestry, renewable energy, water, and waste management sectors. Our focus is working with early stage and growth stage SMEs in the private sector whose commercial growth and success will have a positive impact on target markets, communities, and the environment in Kenya.

3. United Nations Industrial Development Organization

The United Nations Industrial Development Organization (UNIDO), www.unido.org/, is a specialized agency of the United Nations. UNIDO's primary objective is to promote and accelerate inclusive sustainable industrial development in developing countries and economies in transition.

4. Kenya Private Sector Alliance

Kenya Private Sector Alliance www.kepsa.or.ke is the apex organization of the private sector in Kenya. KEPSA brings together local and foreign business associations, chambers of commerce, professional bodies, corporates from multinational companies, medium, SMEs, and start-ups from all sectors of the economy to enable them to speak with one voice when engaging government, development partners and other stakeholders on cross - cutting policy issues and programs for social – economic development of the Kenya.

5. adelphi

adelphi www.adelphi.de/en is think - and - do -tank based in Germany, working on the intersection of green entrepreneurship and green finance in various countries around the globe. adelphi is committed to a just transition and creating a liveable, sustainable society and works together with financial institutions, green enterprises and policy makers to unlock finance at scale to secure a climate-neutral and resilient tomorrow.