BUILDING THE BUSINESS CASE FOR CLIMATE AND SDG ACTION

Interactive Workshop

18-19 June 2019
Best Western Premier Garden Hotel
OUR WORKSHOP GOALS

To build the business case for climate & SDG action.

SESSION 1
Cost of climate inaction

SESSION 2
Benefits & opportunities

SESSION 3
Climate financing

SESSION 4
Supportive tools

SESSION 5
Climate partnerships
KNOWLEDGE REFRESHER

Let’s start with a group quiz...
Question 1

What is the name of the national policy document that sets out the priority actions that need to be taken to mitigate and adapt to climate change in Uganda? (5 points)

BONUS: Who can contribute to these priority actions? (2 points)
ANSWER to Question 1

Uganda’s Nationally Determined Contributions (NDC) (5 points)

Uganda is amongst the countries that contribute least to climate change - but is currently vulnerable to its impacts with low readiness to adapt.

Uganda’s NDC sets out priority actions that the country will take to mitigate and adapt to climate change across eight (8) sectors: agriculture, water, energy, forestry, infrastructure, health, risk management, wetlands.

BONUS: Achieving Uganda’s priorities requires action from across Ugandan society: government, private sector, civil society, communities and all Ugandan citizens with support from domestic and international financing. (2 points)
Question 2

How many Sustainable Development Goals (SDGs) are there? (5 points)

BONUS: Name as many SDG themes as possible (1 point per SDG)
ANSWER to Question 2

There are 17 SDGs. (5 points)

(1 point per SDG theme)
Question 3

Describe ways that climate change can raise costs/risks of doing business in Uganda.

(5 points per answer, max 3)
### ANSWER to Question 3 - CLIMATE RISKS

<table>
<thead>
<tr>
<th>Physical damage to assets &amp; infrastructure</th>
<th>Changing market conditions/industry practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health risks &amp; lower productivity of work force</td>
<td>Regulatory and policy risks (e.g. land use, water efficiency, carbon taxes)</td>
</tr>
<tr>
<td>Disruption of transport &amp; operations</td>
<td>Financial risks (e.g. investor/donor demands, rising insurance costs)</td>
</tr>
<tr>
<td>Disruption of value chain</td>
<td>Reputational risks (client/staff demands)</td>
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</table>

(5 points per answer, max 3 answers up to 15 points)
Question 4

Describe actions that businesses can take to contribute to climate mitigation and adaptation in Uganda?

(5 points per answer, max 3)
ANSWER to Question 4 - CLIMATE OPPORTUNITIES

Reduce GHG emissions
Energy & water efficiency
Increase access to energy & water
Expand clean & renewable energy
Assess climate risks

Diversified & climate-smart agriculture
Support small-scale farmers
Afforestation, reforestation, agro-forestry
Increase access to water & sanitation

Build sustainable cities (transport, buildings)
Expand infrastructure for sustainable water, energy & transport
Water-smart hydropower generation
Wetland research & restoration

(5 points per answer, max 3 answer up to 15 points)
SESSION 1

Cost of climate inaction
“Business leaders and experts surveyed by WEF said that extreme weather, migration caused by climate change and natural disasters are the three risks they’re most likely to face in 2019.” - CNN

"From storms to floods to droughts and forest fires, the costs of interrupted production, distribution, sales and travel will skyrocket in 2019," - Global Risks Report 2019.
CLIMATE RISKS
Where are the risks? What’s the cost of inaction?

Climate change damages in Uganda were equivalent to 4.4% of the national budget as of 2015, exceeding the budget allocation for the Environment and Natural Resource Sector.

**AGRICULTURE**
- Losses for food crops and livestock production are expected to be relatively small.
- However, **high risks for key export crops of coffee, tea and cotton** - estimated at US $134-196 million by 2025 and US $641-938 million by 2050.

**WATER**
- Water demand is rising across Uganda, risk of **water scarcity**.
- Total unmet demand expected to rise from 3.7 MCM/year to 1,651 MCM/year, resulting in an expected cost of US $5.5 billion by 2050.
- Most risks for **irrigation**, followed by **livestock, domestic use and industry**.

**INFRASTRUCTURE**
- Cost of **existing infrastructure losses** estimated at US $60-76 million in 2025, rising to US $357-621 million in 2050.
- Highest risks for residential buildings, then public & non-residential buildings.
- **Extreme events** can cause a range of damages from loss of life, injury, damage to property, costs of dislocation, inconvenience and disaster relief. Estimated costs range from US $68-429 million by 2025 to US $938-3,232 million by 2050.

**ENERGY**
- To meet demand, Uganda would need to invest around **US $1 billion in power generation** from 2015-2020, with required investment amounts increasing very sharply thereafter.
- Climate change may decrease **biomass availability** by 5-10% and **hydropower potential** by around 26% by 2050.
KEEP IN MIND...

- What are the latest trends in assessing climate risk and impacts on business operations?
- What information resources currently exist in Uganda with business-relevant climate data, projections and costs?
- What risks does climate change pose in key sectors in Uganda?
- What are real-life stories of impacts on the operations, supply chain and models of Ugandan businesses?
SESSION 2

Benefits & opportunities
Uganda’s plan to mitigate & adapt to climate change is set out in national policy & framework documents.

**What’s the Vision?**

Vision 2040  
National Development Plan II  
Nationally Determined Contributions  
Green Growth Development Strategy  
....several other sectoral policy documents.

**What are the Goals?**

For mitigation, Uganda has committed to a **22% reduction in GHG emissions** in 2030 compared to business-as-usual (BAU).

**Uganda’s priority is adaptation** to reduce vulnerability of its people and economy.

The **protection of vulnerable groups, including women**, is a crosscutting priority.
Climate mitigation & the SDGs offers significant business opportunities.

In developing and emerging economies, the low-carbon transition provides an opportunity to leap-frog the inefficient and polluting models of the past.

- Global Commission on the Economy & Climate

Sustainable business can unlock at least US $12 trillion in new market value and 380 million new jobs...with most of the prize in the developing world.

- UK Business & Sustainable Development Commission

A transition to climate-resilient agriculture, energy, industry, and urbanisation could benefit the Ugandan economy by 6.9 billion and create 4 million jobs in 2040.

- UK Business & Sustainable Development Commission
Ugandan businesses believe the SDGs and NDCs offer opportunities. Interest is slightly higher in the SDGs than NDCs.
Ugandan businesses understand climate action as a way to be cost/energy efficient - also to launch new sustainable products, improve brand & be leaders.

SESSION 2
Benefits & opportunities

In what areas of operations?

- Reduce GHG emissions & environmental footprint
- New sustainable business models
- Build a sustainable supply chain
- Community impact and philanthropy projects
- Improve staff satisfaction & workplace conditions
- Improve corporate governance

For what benefits?

- Cost-savings & more efficient operations: 26%
- New opportunities to launch SDG-related projects, product lines...: 29%
- Recognition as an industry leader as a SDG-focused company: 6%
- Improved brand image and reputation: 17%
- Better compliance with standards: 4%
- Reduced risks and better resilience to future market trends: 14%
- Other: 6%

- 26% 11% 6%
- 29% 11% 17% 14%
- 6% 14% 29% 26%
- 89%
Ugandan businesses are **gender champions**, with 94% integrating gender into their operations & strategies.

<table>
<thead>
<tr>
<th>Area of operations</th>
<th>Business Actions</th>
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<tbody>
<tr>
<td>Great workplaces</td>
<td>• Pay attention to gender balance in our recruitment at all levels</td>
</tr>
<tr>
<td></td>
<td>• Promote women to senior management and board positions</td>
</tr>
<tr>
<td></td>
<td>• Offer equal opportunity &amp; equal pay</td>
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<tr>
<td></td>
<td>• Prioritize gender sensitivity practices</td>
</tr>
<tr>
<td>Responsible Sourcing</td>
<td>• Support women employees at the forefront of advocacy for good environmental practices within the company</td>
</tr>
<tr>
<td></td>
<td>• Recruit women entrepreneurs as renewable energy distributors</td>
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<td></td>
<td>• Integrate women along the value chain (traditionally male dominated)</td>
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<tr>
<td>Community Support</td>
<td>• Support women entrepreneurs through technical capacity building</td>
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<td></td>
<td>• Link women entrepreneurs to business networks</td>
</tr>
<tr>
<td></td>
<td>• Support incubation of women-led businesses</td>
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<tr>
<td></td>
<td>• Empower marginalized women and youth</td>
</tr>
<tr>
<td>Products &amp; Services</td>
<td>• Offer “Supa Woman” loan product targeted at women in all market segments</td>
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<tr>
<td></td>
<td>• Offer renewable energy products/connections designed for women</td>
</tr>
<tr>
<td></td>
<td>• Offer improved cookstove products &amp; loans designed for women</td>
</tr>
<tr>
<td></td>
<td>• Offer solar on an installment basis to women community groups only</td>
</tr>
</tbody>
</table>
Ugandan businesses expressed interest in contributing to (nearly) all NDC priority actions.
Many have already identified **specific actions they will or are taking** to contribute to climate and SDG action.
But needs remain...for **better clarity on business opportunities**, especially those best suited for each business. As well as collaborations & tools to communicate.

**SESSION 2**

Benefits & opportunities

What remaining challenges?
Key message 1: Climate action is SDG action.

Expand renewable & clean energy
(both production and use – to achieve at least 3,200 MW renewable energy capacity by 2030)

Expand value addition in agriculture
(post-harvest handling & storage, access to markets, micro-finance)

Support public awareness campaigns to promote better hygiene

Improve water efficiency

Make buildings more climate-resilient
(existing buildings & new construction)

Encourage agro-forestry

Support institutions responsible for wetland law enforcement & governance
(with goal to design & implement 111 district wetland action plans with carbon sink potential, and 15 RAMSAR sites & framework wetland management plans)
Key message 2
Your choice of business action can contribute to even broader SDGs.

- Support low-income populations
- Empower women
- Raise client/consumer awareness on sustainability
- Promote innovation in industry & infrastructure
- Create job opportunities (especially for vulnerable groups, disabled, youth)
- Build multi-stakeholder partnerships (especially for vulnerable groups, disabled, youth)
Key message 3
Look across your operations to see where you can integrate climate & SDG action.

- Governance and Ethics
- Green operations
- Great Workplaces
- Responsible Supply Chains
- Local communities
- New products, services & markets
SESSION 3
Climate financing
SESSION 4

Supportive tools
SDGs offer a promising communication tool to show impact to broad stakeholders.

● The SDGs offer a **central framework that governments, civil society and the private sector** can work together to achieve.

● It’s a **promising tool to communicate and be recognized for your business impact** by government, investors, customers & development partners.
The demand (and benefits) to SDG data management & reporting are many.

Ensure compliance  
Save costs  
Build resilience  
Attract staff  
Access new markets & financing  
Build SDG leadership
But challenges remaining in translating the SDG into business language...but guidance is emerging.

- However, with **17 Goals and 169 targets**, translating these targets into real-life business-relevant actions and indicators is a challenge.
RESULTS OF UGANDA SDG/NDC BUSINESS NEEDS SURVEY
Current practices: About half of surveyed Ugandan companies have started to assess & set specific SDG targets/actions...but few are tracking & communicating progress.

Progress

- 54% have assessed their priority SDGs
- 57% have set specific targets/actions
- Only 6% are managing data & communicating SDG impact

Challenges:

- 80% seek better SDG assessment tools, 75% better indicator-setting/benchmarking tools
- Better data, management systems, training, financing & expert verification needed
Current tools: A few companies have developed internal tools to track their SDG / NDC impact - but data management remains time-consuming and complicated.

Progress

- 18% currently use a SDG data management tool (custom in-house, EXCEL, pen&paper)

Challenges:

- Existing options not well aligned to the SDG/NDC framework
- Unaffordable for many companies, especially SMEs
- Requires too much manual intervention to make appropriate reports
- A digital tool would be helpful to better understand & assess the SDGs, manage data manage, benchmark & report
Priority needs: Ugandan companies are most interested in help to get started - assessing SDGs & benchmarking - then data management and reporting.

What features are most important in an SDG impact management tool for Ugandan companies?

- Assessment module: 43%, 20%, 23%, 14%
- Benchmarking module: 31%, 37%, 20%, 11%
- Data management module: 14%, 34%, 37%, 14%
- Reporting module: 11%, 9%, 20%, 60%

What other sustainability standards & certifications are you interested in?

- UN Global Compact: 75%
- Global Reporting Initiative: 70%
- Climate Disclosure Project: 70%
- Other (NGO & public): 5%
Ugandan companies are interested in forming an online network of business to collaborate on climate change & SDG action

- All surveyed companies were interested in forming an online network of SDG/NDC Ugandan businesses
- 37% were interested in leading discussions

Most important goals for the online network:
- Join discussions with other businesses & government
- Access latest news & research on priority SDGs
- Build an online SDG impact profile for my business
- Learn about SDG impact of other businesses
INTRODUCING THE IMPACTI SDG TOOL

EXPLORE & CONNECT modules
SDG reporting is different than corporate social responsibility - more about strategy and focus.

1. Choose **fewer and more specific goals**. (1-3 priority goals that can also cross-impact several secondary SDG goals)

2. Focus on the **most promising business opportunities** (e.g. move SDGs out of CSR and into corporate strategy and operations with support of leadership)

3. Adopt both **meaningful near-team targets** (3-5 years) and **longer-term visionary targets** (10-15 years)

4. Track progress through **meaningful quantitative and qualitative indicators** (e.g. aligned with metrics tracked by investors, governments, partners)

5. Explore opportunities to partner and report **“collective SDG impact”** to show how combined efforts across an industry are making real progress from private sector
Introducing the Impacti SDG tools, released for use by Ugandan companies in partnership with UNDP PFSU

A new digital SDG tool accessible by laptop or mobile.

Impacti EXPLORE offers:

- A learning tool for businesses to understand the SDGs and business opportunities
- A quick assessment to identify the SDG opportunities best suited to your company

Impacti CONNECT offers:

- A News Feed to keep up-to-date on news, resources & opportunities on your priority SDG business opportunities
- A online SDG Business Profile to show your SDG impact and share with stakeholders
- A Members Community page to connect with like-minded SDG businesses to build projects & collaborations
Welcome to Impacti EXPLORE
(invitation to join will be sent to all participants)

Make sustainability your business

The Sustainable Development Goals offer great business opportunities. But where can your business make the most impact? Find out here!

Let's Go!
Three steps to learn about the SDGs, identify priority SDGs for your business and build your online profile.

Build your Sustainable Business Profile
by completing this FREE assessment in 3 easy steps!

Interested in sustainability but not sure where to get started? Use this assessment to learn about the Sustainable Development Goals, and identify opportunities suited to your business to integrate sustainability into your operations and value chain.

1. Tell us about your business
2. Select sustainability priorities
3. Explore opportunities to make impact
4. Receive your sustainable business profile

Once your profile is complete, we'll connect you with guidance and tools to keep you on top of the latest opportunities that businesses sustainability offers.
Receive recommendations of the SDGs most relevant to your business, and click on “more” to learn about all SDGs.
For each priority SDG, explore the business opportunities that your business is already or can plan to contribute to.
For each priority SDG, explore the business opportunities that your business is already or can plan to contribute to.
Receive your customized SDG business profile with a summary of your choices. Register your profile in Impacti CONNECT to access members only benefits.
Welcome to Impacti CONNECT
(invitation to join will be sent to all participants)
SESSION 4
Supportive tools

Welcome to Impacti EXPLORE
(invitation to join will be sent to all participants)
Supportive tools

SESSION 4

News Feed

- Updated listing of latest news, resources & opportunities from fellow members and other partners
- News Feed tailored to the priority SDGs and business opportunities for your business
- Searchable database to explore past posts for specific topics
Your online SDG profile

- Expandable profile to showcase your SDG impact, initiatives and achievements
SESSION 4
Supportive tools

A closer look at your SDG profile...

....Key facts
SESSION 4
Supportive tools

A closer look at your SDG profile...

...priority SDGs and business actions.
SESSION 4
Supportive tools

Member Community page

- Find other businesses committed to your SDGs and build partnerships for greater impact
Welcome to Impacti MANAGE
(under development...contact us for details)

● Full data management tool to set, track and manage indicators of progress towards your priority SDGs

Questions:
● What indicators? How to benchmark with peers?
● What standards and frameworks?
● What type of graphs, progress charts?
SESSON 4
Supportive tools

Dashboard
Our Sustainable Development Goals

8% Decent Work and Economic Growth

13 Climate Action
12 Responsible Consumption and Production

Emissions

Monitor Progress and Achievements

- 95% of workers earning living wages in 2018
- 75% Happy Workers in 2018
- Progress Bar: $3,540 (2.54% increase from 2017)

Goal Achieved!
4,563 Happy Workers in 2018
100% by 2021
SESSION 4
Supportive tools

Our Qualitative Commitments

Great Workplace
Wages and benefits standards are negotiated through collective agreement.
We pay living wages to all workers.
We offer fair employment terms including paid holidays and reasonable working hours.

Our Quantitative Progress

95% ~ 2.54% increase from 2017
of workers earning living wages in 2018
Goal: 100% by 2021

75%
Happy Workers
in 2018
Goal: 100% by 2021

Progress Bar
$3,540 ~ 2.54% increase from 2017
Goal: 100% by 2021
SESSION 4
Supportive tools

Qualitative Commitments

Great Workplace

Wages and benefits standards are negotiated through collective agreement.
We pay living wages to all workers.
We offer fair employment terms including paid holidays and reasonable working hours.

Our Progress

Percentage of workers earning living wages

Target: 100% by year 2021
Add progress:
Reporting year: 2014 | Achieved Impact: [ ]
Reporting year: 2015 | Achieved Impact: [ ]
Reporting year: 2016 | Achieved Impact: [ ]
Reporting year: 2017 | Achieved Impact: [ ]

4,563 Happy Workers in 2018
Goal: 100% by 2021

Progress Bar
$3,540 ~ 3.54% increase from 2017
Goal: 100% by 2021
Partnerships for climate & sustainability goals is key...here are the main motivations for business

**Strategic opportunity creation**
- Co-invest in new market opportunities
- Build resilient supply chains
- Overcome regulatory barriers
- Share risk of new approaches

**Leverage financial resources**
- Access donor funding
- Mobilize pooled resources toward a common purpose

**Influencing others**
- Shaping industry standards
- Influencing policy & garnering political support
- Encouraging behaviour change

**Gaining access to partner assets**
- Accessing new networks
- Accessing technical support & complementary skills
- Accessing new technologies
- Accessing information & knowledge

**Improving legitimacy, credibility or visibility**
- Enhancing brand value and reputation
- Inspiring, attracting & retaining top talent
- Building legitimacy and support for a preferred approach
A quick summary of motivations for partnerships, from internal to external change.

**Organizational Capability Building**
Building the capacity of individual organizations to more effectively manage sustainability opportunities and risks

**Market Improvement**
Improving the way industries and their business partners address common sustainability issues through industry-wide cooperation and standard setting

**System Change**
Coordinating the actions and investments of multiple sectors to make fundamental changes across a system of policies, power structures, behaviors, and/or norms to improve sustainability outcomes
BUILDING THE BUSINESS CASE FOR CLIMATE AND SDG ACTION

Thanks for your participation!

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