Governance for SCP in developing countries

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Philippine Setting

• MSME accounts for 99.6% of business establishments

• 63.2% jobs generated by the MSME (trading, manufacturing, H&R, etc)

• MSMEs account for 25% of exports and 60% of exporters belong to the MSME
Role of SMEs in Lao PDR

- 99% in terms of number of enterprises
- 94% in terms of employment

Source: National Chamber of Commerce and Industry

Role of SMEs in Sri Lanka

- SMEs are also important in Sri Lanka as they make up more than 80% of all businesses,
- SMEs account for about 35% of employment and about 20% of total industrial value addition.
Role of SMEs in Vietnam

- 99% of registered businesses are SMEs
- SMEs employ 77% of the workforce
- SMEs contribute to 40% of GDP

Role of SMEs in Pakistan

• The Economic Census of Pakistan-2005 lists 3.2 million business enterprises nation-wide and SMEs constitute over 99%.

• Their share in industrial employment according to an estimate is 78 % and in value addition approximately 35 %.

• Nearly 53 % of all SME activity is in retail trade, wholesale, restaurants and the hotel business whereas the contribution of industrial establishments and those involved in service provision is 20 percent and 22 percent respectively.

source: Shahab Khawaja, CEO SMEDA
In the “extreme risk” category, PHILIPPINES is ranked no 6. 
* Weak in infrastructure, no. of risks and no. of exposed to risks
Ondoy and Pepeng (2009)

- US$4.3 Billion or PhP 207 B (2.7% of GDP) in damages to crops, property and infrastructure (WB)
- US$2.34 Billion to enterprise Sector
- US$849.3 million losses by farmers
- US$730.4 million losses by housing sector
- 9.3 million people affected
- 956 deaths from floods and landslides
- 249 deaths from diseases such as Leptospirosis (NDCC)
- 86 missing

- US$4.42 billion needed for RP’s recovery over 3 years
Commerce represents about 64% of the total lose income, amounting to PHP 32.6 billion. The temporary closedown of some firms and home-based enterprises due to flooding and damage to property and equipment reduced production in the wholesale and retail trade subsector by about 4% of its gross value added in 2009.

The manufacturing industry incurred the second biggest losses in incomes and employment, losing about 150,000 work-years due to the disaster and about PHP13.0 Billion in incomes (WB, 2009).
How did PH responded?

- Congress passed the Climate Change Act of 2009 and created the Climate Change Commission. Mandates multi-stakeholder participation.

- President Aquino created a cabinet cluster on Climate Change Mitigation and Adaptation and promoted convergence among relevant agencies.
Challenges

• Perception of SCP as a restrictive policy vis-à-vis traditional production

• Timing of government intervention i.e. access to credit and other incentives. Potential trade-offs

• Finding the right niche. If niche only, application is limited.

• Propriety of using social and moral issues in integrating SCP
Latest Q3 2012 Survey on Consumer Confidence

• Global warming and climate change ranked higher than debt, increasing prices on food and fuel in terms of concerns for Filipinos

• Results are considered an opportunity for PH to integrate SCP
Ultimate Goal

Build the adaptive capacities of women and men in their communities, increase the resilience of vulnerable sectors and natural ecosystems to climate change, and optimize mitigation opportunities towards gender-responsive and rights-based sustainable development.
Successful transition towards climate-smart development.

Enhanced adaptive capacity of communities, resilience of natural ecosystems, and sustainability of built environment to climate change.

Food Security

Water Sufficiency

Ecological and Environmental Stability

Human Security

Climate-Smart Industries and Services

Sustainable Energy

Knowledge and Capacity Development

Intermediate Outcomes

Ultimate Outcomes
Climate resilient, eco-efficient and environment-friendly industries and services developed, promoted and sustained.

- Climate-smart industries and services promoted, developed and sustained;
- Sustained livelihood and jobs creation from climate-smart industries and services;
- Green cities and municipalities developed, promoted and sustained
2011 – 2016
specific activities for CSIS

• Review and harmonize policies (on trade, investment, environment, tourism, agriculture, etc) to provide a stable and unified policy environment for the development and expansion of climate-smart industries and services;
• Develop updated baseline information on climate-smart industries, services and green jobs;
• Develop monitoring and reporting system for GHG emissions from various activities and sectors;
• Develop social protection and risk transfer mechanism;
• Creation of jobs in the rural areas;
• Develop accreditation system for green building assessors
Thank you.

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