Engaging Private Sector at Scale in Climate Actions and the SDGs

NDC Support Programme- Uganda
• **Unmet need of US$4 trillion a year** required in developing countries to deliver on the Climate pledges and the SDGs (US$2 trillion of which is particularly for climate-related sectors),

• The **private sector** is not just an important actor but a **critical actor**.

• But clearly **more action is required to unlock and redirect the vaster quantities of private climate finance** that are required.
Private Sector needs **a business case** to invest in climate actions and SDGs. A business case can be enhanced through:

- **Enabling policy environment** with targeted policy incentives to engage private sector in climate actions and the SDGs,
- **Improving ease of doing business** to accelerate investment decision of private sector,
- **Targeted capacity building** to promote private sector engagement,
- **Access to climate finance** to strengthen the business case for actions.
1. Enabling Policy Environment

Ministries put in place **policies and regulations to incentivize private sector** investment such as:

• Feed-in tariffs,
• Import duty exemptions for green technology,
• Tax holidays,
• Standards,
• Investment incentives etc.
Government Institutions put in place the **business environment to crowd-in private sector**:

The WB enhanced Business Registration and Licensing that led to:

- Digitization of files in the business registry,
- Businesses can register in a day,
- Registration can be done online,
- A one stop shop center created at URSB for URSB, NSSF, NWSC, UIA, URA, Ministry of Lands.
3. Private Sector Capacity Building

Accelerate private sector engagement through **targeted technical assistance** e.g. through PSFU:

- Entrepreneurship training,
- Financial training (business plan development),
- Understanding the relevant regulations and existing incentives,
- Technical feasibility studies for priority projects and programmes.
4. Climate Finance

- Climate finance refers to local, national or transnational financing—drawn from public, private and alternative sources of financing—that seeks to support mitigation and adaptation actions that will address climate change (UNFCCC)

  - Climate finance for mitigation, because large-scale investments are required to significantly reduce emissions.
  - Climate finance for adaptation, as significant financial resources are needed to adapt to the adverse effects and reduce the impacts of a changing climate.
Green Climate Fund (GCF) Private Sector Facility

- PSF to fund and mobilize institutional investors and leverage GCF’s funds to encourage corporates to invest in climate actions by reducing the costs of lending:
  
  **Mitigation** (clean cooking, solar, rural electrification, energy efficiency)

  **Adaptation** (climate resilience of communities, livelihoods, building adaptive capacities, climate information services etc)
Financial Institutions:

• Development banks finance (AFDB, EADB, UDB)
• Commercial bank finance (Centenary Bank Stanbic, Microfinance)
• Financing credit line (energy efficiency credit line with Diamond Trust Bank)
• Private sector finance through CSR, direct project investments e.g. renewable energy, energy efficiency
Support by UNDP globally

• Working with Governments to **improve the policy environment**,  
  
• **Development of financing platforms** to support investments e.g. Financing platform developed to increase access to RE and EE in rural areas  
  
• Development of **Green Bonds initiatives** by governments to support investments in climate action  
  
• National Financing Vehicles e.g. the **Green Investment Fund** for Uganda  
  
• **Carbon finance mechanisms** including support countries in the transfer of mitigation outcomes under Art. 6 of Paris Agreement
THANK YOU

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