

# Human Mobility and Green Economy Development in a Changing Climate in West and East Africa – Africa Climate Week Event Summary

Date: 31<sup>st</sup> September 2022

Location: Africa Climate Week, Libreville, Gabon

Organizers: The International Organization for Migration (IOM); the United Nations Framework Convention on Climate Change (UNFCCC)'s, East African Development Bank (EADB)'s and the Banque Ouest Africaine de Développement (BOAD)'s Regional Collaboration Centres (RCC) in Kampala and Lomé

For the Africa Climate Week 2022 held in Gabon from the 29<sup>th</sup> of September to 2<sup>nd</sup> of October, the International Organization for Migration (IOM) and the Regional Collaboration Centres (RCC) in Kampala and Lomé co-organized an event on the theme of Human Mobility and Green Development.

The goal was to enhance dialogue and action among stakeholders addressing the challenges and opportunities raising from climate change related migration and regional green economy transition.

For Sub-Saharan Africa to have a just transition, it is necessary to ensure that the groups most affected by climate change can also participate in the economic activities created by green economy transition. Without inclusive solutions there is the chance that the most vulnerable are left even further behind.

The event built on a previous discussion on the topic, concentrating on the importance of inclusivity in the planning the green economy transition, the role of partnerships and the huge potential the Small and Medium Enterprises (SMEs) can play in taking climate action. The conversation echoed one key issue that has also been voiced by studies and stakeholder consultations, which is the difficulty for the SMEs to access finances to participate in climate action. The issue becomes increasingly pertinent when contrasted with the fact that 80 per cent of Sub-Saharan African economy and employment is provided by SMEs.

To delve deeper into this issue, the event brought together panelists from different organizations that work on this issue. Dr. Olufunso Somorin of Africa Development Bank represented the supply side of finances, Dr. Mao Amis of African Center for Green Economy represented the entrepreneurial side of climate action and Hind Aïssaoui Bennani of IOM brought climate change and environmental driven migration realities to the discussion. The event was moderated by Jyri Jantti, from the Regional Collaboration Center Kampala.

## Event Summary

To underline the importance of the discussion was the Special Envoy for Migration and Climate Action to the Director General of IOM, Ambassador Caroline Dumas with her opening remarks. She emphasized the prevalence of migrant workers in Sub-Saharan Africa and the importance of supporting the scaling of the many locally led solutions that are already in place, solutions that improve sustainable livelihoods while taking action on climate change. Concluding her intervention with the call for need to move from international discussions to also ensuring that there is funding for action at all levels.

This was followed by a summary of a study on the topic of the integration of human mobility to climate change, development and green economy policies in East Africa, the Intergovernmental Authority on Development (IGAD) region. The presenter Noora Makela from IOM, highlighted the key takeaways from the study, such as:

- In the IGAD region, there is a growing recognition of human mobility in green economy-related policies, but those are insufficient in the face of climate and mobility trends.
- Policy coherence needs to be strengthened as well as synergies with Nationally Determined Contributions (NDC)/ National Adaptation Plan (NAP) processes for more actionable green economy policies. This requires awareness, knowledge and data on green economy development.
- Green economy development requires investment and innovative technologies, as well as capacity and skills development, budgeting and resource mobilization. There is a need for stronger understanding on the skills needs; engagement with education institutions, harmonization of skills recognition and improvement in labour market information systems.
- Green jobs and entrepreneurship can support green economy development. There are opportunities for the development of productive enterprises, which can be a point of attraction and channeling of greater private sector investment into the green economy as well as diaspora engagement through skills or resources.
- There is a need to find viable alternatives to channel diaspora support, both technical and financial, with entrepreneurial and business experience in the green economy sectors.
- Recognition of potential the development of sustainable livelihoods has when linked to viable green economy sectors, to alleviate the economic pressure that often triggers or drives human mobility. This requires redirecting of international funding (humanitarian vs. development).

The panel conversation started from the issue of the absence of finances available to small scale actors. Currently many of the loans available under climate finances are in the scale of millions of dollars, making it difficult for SMEs looking for smaller sums to climate proof their business models. The common agreement was the need to aggregate businesses together and to strengthen intermediary institutions. Institutions that are able to distribute large sums from international finance into smaller chunks, or ticket sizes, are key for the climate finances to flow also to SMEs. From the supply side of finance, the important question was, how this distribution can be done in a sustainable way when 72 per cent of the SMEs in Sub-Saharan Africa do not survive until their 5<sup>th</sup> year.

The poor survival rate of SMEs highlighted the need for both development agencies and intermediary institutions to ensure that their skills development activities also cover the business side of scaling climate action solutions. For solutions to become investable and companies sustainable there is a need for business skills, such as management and projections. These transferrable skills can improve the survival rate of the SMEs and ensure that the solutions can be sustainable, invested on and scaled.

For the way forward the panelists identified the need for better communication between actors in the green economy ecosystem. For development of inclusive green economy the roles of actors need to be clear, but also communication between different levels of business development needs to be active. When green economy ecosystem supporting actors collaborate closely, they also have better capacities to direct growing SMEs contributing to the Green Economy development towards relevant actors needed for the next growth phase. To improve the survival rate of SMEs, they need support at every level of their growth journey and also after they have reached their aspired growth level and want to sustain it.

The audience also brought into the discussion the importance of considering insecurity and the importance of taking into account the security situation in some areas in the continent. Where climate vulnerability overlaps with instability and conflict, capacity of the communities to adapt to climate change is negatively impacted. Having a conflict sensitive approach can strengthen the sustainability of intervention, and having a climate friendly approach, which includes communities, can mitigate the risk of conflict.

Key takeaways:

- **Actors supporting green economy transition need to be well engaged and actions coordinated** in order to create enabling environment for green economy development.
- **Green economy related policies can provide a framework to combine aspects of environment and human mobility** and encourage the development of the climate-mobility nexus in a concrete way.
- **Green investments** within viable sectors can result in **improved productivity and profitability through the adoption of climate smart solutions and sustainable models**. Also, by facilitating the transition to a green economy, investments can lead to the creation of new jobs, **thus reducing drivers for forced or irregular mobility, and support adaptation to climate change**.
- Climate finance need to be made available also for SMEs to ensure on the ground impact. Finance institutions need to engage intermediary institutions that can aggregate businesses, to **ensure that the large ticket sizes (loans) can be divided to smaller sums and reach the SMEs or sustainable livelihood practitioners**.
- **SMEs contributing to climate action solutions need support with their business-related skills** in order for them to become sustainable, investable and scalable. As companies grow, different skills are needed for their management, so it is **important that support is available to them at every level of their growth journey**.
- **Diaspora can support climate action** when investment opportunities are made available.
- **Migrants form a large part of Sub-Saharan workforce and can contribute to the green economy transition**. They function as disseminators of knowledge and develop solutions for green economy development. For a just transition into green economy to actualize, it will be **crucial to engage all groups in the policy planning, development and implementation phases**.

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