

Introduction

In Senegal, as well as in many other developing countries in Africa, the private sector is comprised of both big companies and very modest sized or small enterprises. It plays a critical role in contributing to the country's growth and development efforts. Yet the private sector's effective and sustainable engagement in implementing more climate-sensitive investments and delivering inclusive economic growth in semi-arid regions has been insufficient. Even in instances where the private sector could have the capacity to adapt to climate change, there are weak policy incentives to do so.

In this context, researchers from the Grantham Research Institute on Climate Change and the Environment at the London School of Economics and Political Science (LSE), and Innovation, Environnement, Développement en Afrique (IED Afrique) in Senegal have been working on understanding how private sector actors are affected by climate change, and can contribute to and become key agents of change for inclusive, climate-resilient economic development¹.

The first steps of the research proved difficult yet informative. Large companies initially identified by IED Afrique as key stakeholders showed limited interest and willingness to engage with the PRISE project, despite their obvious contribution to the economic development of Senegal and exposure to climate risks. However, drawing on the lessons from this first engagement exercise, and from additional analysis provided by research, PRISE researchers realised that there were many other types of important private sector agents – including small and medium-sized enterprises (SMEs), whose contribution to national GDP is very important and who could be open, if they had the right support, to interact with research and use research findings to reflect on their exposure to climate risks.

This enabled the research team to review and adapt its engagement approach. Researchers began to target SMEs rather than big businesses and as a result, IED Afrique is now experiencing growing demand from key stakeholders, including formal and informal SMEs, as well as governmental agencies working with the private sector, for relevant information and support to understand what is useful to them in their work and how to effectively use this information to foster private sector adaptation to climate change. As the research and engagement strategy were being implemented, progress markers were also developed using the PRISE project's planning and assessment approach based on Outcome Mapping², to follow up and track real and tangible changes in the behaviour of private sector stakeholders.

This story of change illustrates how PRISE was, and continues to be, adaptive in its stakeholder engagement, developing new approaches to deliver climate information and knowledge, and to engage with private sector enterprises to promote evidence-based research into use.

Climate change and the private sector in Senegal

The private sector is critical to the economy of developing countries and is dominated by micro and small and medium enterprises and the informal sector, which represent the most realistic employment opportunities for many poor people, especially in semi-arid areas³. In Senegal, SMEs form a critical part of the private sector and operate predominantly in the agriculture, livestock, fisheries and tourism sectors.

However, like any other actor in society, the private sector is confronted with the impacts of climate change, including drought, heavy rain and flooding. This will have impacts on productivity and on key infrastructure – for example, the destruction of roads or hindering the delivery of products. As one farmer testified during a visit by the research team:

“I experience changes every day on my farm. Indeed, I have noticed a recurrence of strong heat and this phenomenon seriously harms the cattle. For example, as part of the cattle breeding improvement programme, I spent a lot of money to import cattle, but most of them died within a few months, mainly because of the frequency and intensity of heat waves. I have also experienced failures with artificial insemination and I am sure that the heatwaves are contributing, because the cattle cannot stand the strong heat. People say it's climate change, but we'd really like to understand what's going on.” - *Oumar Sow, farm owner in the municipality of Léona, Louga region.*

While a lot of research in developing countries and semi-arid areas has focused on climate change adaptation solutions in these key economic sectors, SMEs are seen to lack the knowledge and capacity to plan for climate change. The differences in time horizons between climate change impacts and businesses' investment horizons, and the need for quick returns and short-term growth, are regularly pointed out, rightly or wrongly, to explain the limited financial capacity – or willingness – of SMEs to cover the high upfront capital costs of investing in long-term adaptation measures⁴.

Yet the private sector plays a critical role in contributing to developing countries' growth and development efforts, and is increasingly recognised as a key actor that can help society successfully adapt to climate change. To address the impact of a changing climate, it requires high quality information to accompany its decision-making processes.



Source: Hamidou Koïta, rural entrepreneur in his banana plantation, in Senegal © Lancelot – IED Afrique

Bridging knowledge gaps

In response to this, PRISE developed a research project on 'Fostering an enabling environment to engage the private sector in adaptation and climate resilient development'⁵ to provide private sector stakeholders with some of the information and knowledge required to guide them to identify and implement adaptation strategies and investment choices to build economic resilience to climate change.

As the knowledge gap is bridged, PRISE researchers expect to see increasing numbers of SMEs in Senegal requesting information, data and advice from PRISE researchers.

Encountering barriers to private sector mobilisation

PRISE's work on the private sector was soon underway. Stakeholder engagement workshops carried out in Senegal in October 2015 brought together research institutes and think tanks, parliamentarians, government bodies, knowledge brokers and civil society organisations, to help understand the challenges involved when integrating climate change considerations into business plans, and gain insights into the barriers that undermine Senegalese private sector investment in climate-resilient solutions.

The most significant conclusion was that none of the big companies and professional organisations invited by the project attended the workshops. The targeting and engagement approach needed to be revised to consider that, even if stakeholders recognised that the private sector needs the right knowledge, skills and resources to adapt to climate change, the actual level of interaction between private sector actors and research institutions is very low or even non-existent. This was the reality that PRISE faced.

The IED Afrique research team then initiated an internal reflection and sense making process to understand why research institutions find it difficult to engage with the private sector; which stakeholders in the private sector PRISE should aim to target and why PRISE is particularly well placed to deliver engagement options and climate-resilient solutions to the private sector, especially SMEs.

New private sector engagement approaches

The PRISE team used research findings and stakeholder engagement reports to develop and implement a new engagement plan, which specifically aims to stimulate greater private sector awareness about the impacts of climate change on their businesses.

For example, IED Afrique has implemented a new information sharing mechanism with private sector stakeholders - through phone calls or emails - including the Union of Women Business Leaders in Senegal (UFCE) and SMEs in the region of Louga and Saint-Louis. In addition, individual face-to-face meetings and direct visits with selected umbrella business organisations, civil society organisations, state technical services, and policymakers are also now being held.

This revised engagement strategy has increased the number and frequency of interactions between the IED Afrique research team and key private sector stakeholders including the Regional Chamber of Trade and the Directorate of Small and Medium Enterprises. The willingness of business leaders, or their representatives, to attend PRISE events and discussions also increased and has led to the development of relationships of trust between several enterprises and PRISE researchers.

Box 1: Growing engagement with SMEs

A working session was organised between the PRISE team and the Senegalese Director of Small and Medium Enterprises and four of his colleagues (Head of the Studies Division, Strategy and Planning; Head of Resources and Communication Centre; Head of the Local Investment Promotion Division; Head of the Legislation Division and Economic Regulation). During the meeting, the Director noted his interest about PRISE research and assured researchers that his team will take part in research activities and use the results to improve national policies in terms of support for SMEs.

Source: IED Afrique, Outcome Monitoring database, 2015-2017

Importantly, with the private sector actively participating in PRISE workshops, IED Afrique has also documented early signs of growing relationships between the private sector and other key stakeholder groups, such as governments, parliamentarians and other research institutions. This points to the consortium's contribution to an environment in which links between all key stakeholders are being strengthened.

Results and lesson learned

Understanding what drives and motivates the private sector to engage with researchers and adapt to climate change is critical as it can enable policy makers to provide, or support, favourable conditions for an enabling environment for SMEs adaptation to climate change impacts.

Historically, in the Senegalese context, the private sector has had little interaction with researchers about climate change. During the first years of the PRISE project, the engagement process with the private sector was painstaking, yet informative. The research team's use of targeted, face-to-face meetings to engage SMEs in the project during field work provided PRISE with greater opportunities to initiate dialogue with business owners and raise awareness within the private sector about the need to have an effective consideration of the climate change dimension within their business plans and strategies.

This form of direct engagement with the private sector has empowered SMEs in Senegal. Today, they have a better understanding of the impact of climate change on their activities, and are more open to opportunities offered by PRISE researchers to build their resilience.



Source: PRISE researchers presenting the results of the research to private sector stakeholders in Saint-Louis region, Senegal -
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Box 2: Increasing private sector participation in PRISE research

Since PRISE adapted its private sector stakeholder engagement strategy, the private sector has increased its participation in project activities. For instance, the Chamber of Commerce of Louga and leaders of producer organisations supported the research team during the data collection phase in the Louga region, demonstrated interest in research results and requested PRISE to organise a validation workshop.

Source: IED Afrique, Outcome Monitoring database, 2015-2017

A step towards future change?

The IED Afrique research team has been successful in changing the thinking and behaviour of key leaders of socio-professional organisations, including SMEs, in Senegal, some of which have requested PRISE's support to integrate climate change into their business plans. For example, during field survey and data collection phases on the impact of climate change on SMEs in the region of Saint-Louis, the Regional President of the House of Breeders of Saint Louis asked IED Afrique to organise a sharing workshop with all members of his organisation who suffer from the impacts of climate change.

In response to this, IED Afrique held two stakeholder workshops in Louga and Saint-Louis regions in March 2017. The project research team presented the results of the research to private sector stakeholders and took the opportunity to initiate in-depth discussions about the enabling factors required to facilitate private sector adaptation to climate change. More than 40 stakeholders from private sector, including business leaders, SMEs, women entrepreneurs and chamber of trade representatives attended the meetings.

The level of participation and the quality of information exchanges at the workshops indicates a move towards the project's goal of creating an enabling environment for the private sector to strengthen resilience to climate change.



Source: Focus group discussion with women leaders of economic interest groups in the village of Wendu Bosseabe, Senegal - © Lancelot – IED Afrique

Resources

¹ Find out more about PRISE research projects at: <http://prise.odi.org/about-us/>

² PRISE projects use Outcome Mapping (OM) to monitor and analyse changes in stakeholder behaviour as a result of being involved in PRISE research and engagement activities. Outcome Mapping is an actor-centred approach to design, monitoring, evaluation and adaptive management that seeks to understand how change happens in different contexts, how different actors act and interact with each other and with their context, and what contributions an intervention has with those actors or stakeholders. PRISE has identified the private sector, especially SMEs, as one of the key stakeholder group to monitor across PRISE countries and projects. The Outcome Mapping database currently has more than 60 observations related to private sector actions, activities and relationships that demonstrate movement along a pathway of change towards increased understanding and decision-making around climate change and adaptation. For more information on Outcome Mapping please visit www.outcomemapping.ca

³ Dougherty-Choux L., Terpstra P., Kammila S. and Kurukulasuriya P. 2015. Adapting from the ground up. Enabling small businesses in developing countries to adapt to climate change. World Resources Institute and United Nations Development Programme.

⁴ Trabacchi C. and Mazza F. 2015. Emerging solutions to drive private investment in climate resilience. A CPI Working Paper. Climate Policy Initiative.

⁵ F. Crick, M. Diop, M. Sow, B. Diouf, B. Diouf, J. Muhwanga and M. Dajani, Enabling private sector adaptation in developing countries and their semi-arid regions – case studies of Senegal and Kenya, December 2016

Pathways to Resilience in Semi-Arid Economies (PRISE) is a five-year, multi-country research project that generates new knowledge about how economic development in semi-arid regions can be made more equitable and resilient to climate change. PRISE aims to strengthen the commitment of decision-makers in local and national governments, businesses and trade bodies to rapid, inclusive and resilient development in these regions. It does so by deepening their understanding of the threats and opportunities that semi-arid economies face in relation to climate change.

Where we work: Senegal, Burkina Faso, Kenya, Tanzania, Ethiopia, Pakistan, Tajikistan and Kyrgyzstan.

Member organisations: Overseas Development Institute, UK (lead organisation); Grantham Research Institute for Climate Change and the Environment, UK; Innovation Environnement Développement en Afrique, Senegal; Sustainable Development Policy Institute, Pakistan.

Country Research Partners: Regional Environmental Center for Central Asia, Tajikistan; University of Ouagadougou, Burkina Faso; Kenya Markets Trust, Kenya; Mountain Societies Research Institute, Kyrgyzstan.

PRISE research projects:

Research area 1: Migration futures in Asia and Africa: climate change and climate-resilient economic development.

Research area 2: Migration, remittances, adaptation and resilience in arid and semi-arid regions of Senegal and Tajikistan.

Research area 3: Harnessing opportunities for climate-resilient economic development in semi-arid lands: adaptation options in key sectors.

Research area 4: Enabling environment for private sector/ multi-stakeholder action to strengthen resilience to climate change.

Research area 5: Property rights, investments and economic development in the context of climate change in semi-arid lands.

Research area 6, Part 1: Cross-boundary multi-scale governance of semi-arid lands: Implications for climate resilience and economic development.

Research area 6, Part 2: Resilience to climate-related shocks and stressors in Kyrgyzstan: developing resilience indicators to predict well-being.

Research area 7: Water governance in semi-arid lands: political and economic insights for the management of variability and extremes in a changing climate.

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