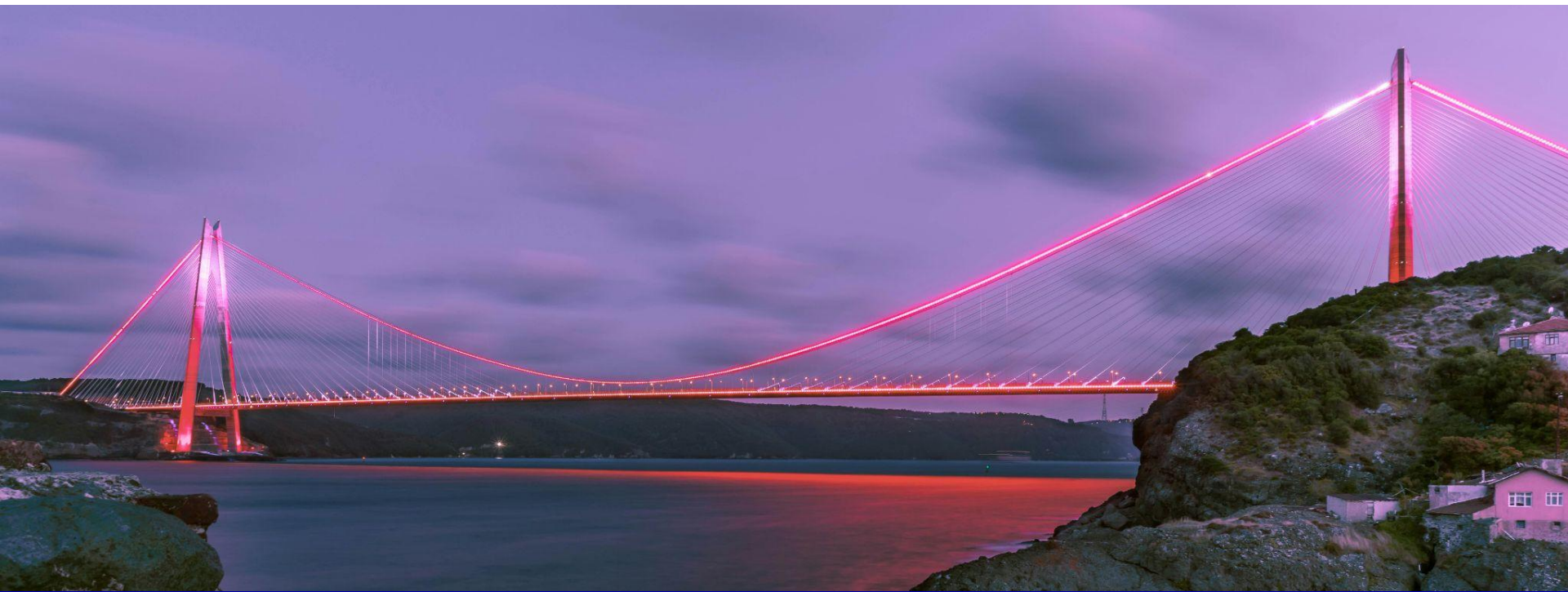


# SME Finance Sprint

## Chapter 1



# What

To make climate action a reality for SMEs, access to finance is key.

SMEs currently face a substantial funding gap in undertaking effective climate action. While there are broad estimates available, there is no single source of truth to have a clear understanding of the true scale of the problem. Also, the ever evolving field of play in terms of informality of the SME landscape, unstructured financing methods and even lack of standardized definition of what constitutes SMEs accentuates the problem. Without accurate measurement, effectively addressing this finance gap remains a significant hurdle - *what you can't measure, you can't solve.*

As part of the Climate-Proofing SMEs Campaign, SME Finance Sprint mobilises major financial institutions including Multilateral Development Banks, Development Financial Institutions, commercial lenders (commercial banks, non-bank lenders and micro finance institutions) and venture capital funds to increase their financing to SMEs in emerging economies.

## Green Growth Opportunity

# US\$789bn

Estimated green finance opportunity for SMEs

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## Green Growth Challenge

# 47%

of SMEs cite a lack of finance as a key barrier for climate action

Source: CC and Sage

# How

SME Financing Pathways		Current Challenges	Call to Action & Opportunities	Key Opportunities & Benefits of Taking Action
Supply Side	Multilateral Development Banks & Development Financial Institutions	Limited risk appetite of off-takers/ commercial lenders  Lack of data and transparency for impact measurement	To increase <b>concessional lending, risk guarantees</b> and <b>blended finance</b> instruments support to the commercial lenders. Assist in capacity building of commercial lenders towards understanding of de-risking and blended finance instruments and alternative risk management mechanisms	Channeling capital with blended finance and de-risking instruments towards climate action, creating impact  Catalyzing systemic change and policy dialogue towards climate action
	Commercial Lenders & Investors	Perceived high risks, lack of collaterals, high transaction costs and lack of track record  Traditional risk models unable to internalize emerging risks	To actively finance SME green transitions by <b>offering tailored green financing and supply chain financing</b> , providing accessible <b>technical assistance</b> and simplifying application processes	Untapped opportunities available at scale - large no. of SMEs need climate finance  Tap into blended finance and credit guarantees that enable de-risking and enhance risk appetite
Demand Side	End-users: Large Corporations	Limited view of long term benefits of climate action	To <b>engage</b> with the SMEs within their supply chains on climate action, provide <b>technical assistance and facilitate financial support</b> and <b>investments</b> in green SME innovation.	Enhanced supply chain resilience (climate risks) and future proofing operations (transition risks)  Co-creation of innovative green solutions with an ecosystem approach
	End-users: SMEs	Lack of awareness about climate action and its financial benefits  Lack of technical expertise, capacity to manage and implement climate projects	To <b>leverage the financial support available</b> to them and <b>reap the opportunities</b> of green economy transition	Reduced operating costs over time - releasing capital for growth  Access to new markets, enhancing competitive advantage and brand value

# Who

The Climate-Proofing SMEs Campaign brings together over 45 collaborators to accelerate SMEs' access to finance, capacity building, and supply chain engagement support for climate action.



Climate-Proofing SMEs  
Campaign collaborators'  
work span



business



financial  
institutions



universities



subnational  
governments



cities



local  
communities

enabling a  
**multi-stakeholder**  
collaborations and  
systemic approach.

“ SMEs are the bedrock of local economies and the lynchpin in any economy-wide transition to net-zero. We are proud to partner with the “Climate-Proofing SMEs” campaign as an integral lever to empower SMEs to take greater climate action — one that aligns perfectly within our aim to champion enabling policies and action to unlock the potential of SMEs to lead the way in creating a more sustainable future for all.”

**Andrew Wilson**

Deputy Secretary-General – Policy,  
International Chamber of Commerce

“ SMEs play an integral role in supporting the Just Transition to a climate resilient economy. One of the key elements in the Just Transition is distributive justice. SMEs can ensure more equitable distribution of resources and benefits, hence climate proofing SMEs is critical. Our SMEs are vulnerable to the risks of climate change. If we want to convert some of these risks into opportunities, the support we provide now is an investment in the future.”

**Shameela Soobramoney**

CEO of National Business Initiative (NBI)

“ Sustainable SME finance is a key priority area for the SME Finance Forum with various knowledge-sharing activities and innovation hub “solution’ clinics” being conducted. We look forward to supporting the “Climate-Proofing SMEs” initiative with the High-Level Champions”

**Qamar Saleem,**

Global Head, SME Finance Forum

“ We are convening an SME Data Taskforce with the aim of creating a set of recommendations to government in order to streamline SME data requests and provide consistency and coverage of data. There is an urgent need to streamline reporting burdens pushed down to SMEs, and unlock access to sustainable finance. Our approach prioritises an ‘SME first’ approach to high quality data collection and disclosure, enabling SMEs to share their data in a comparable and interoperable way, and will allow SMEs to develop targeted decarbonisation interventions unlock green finance opportunities”

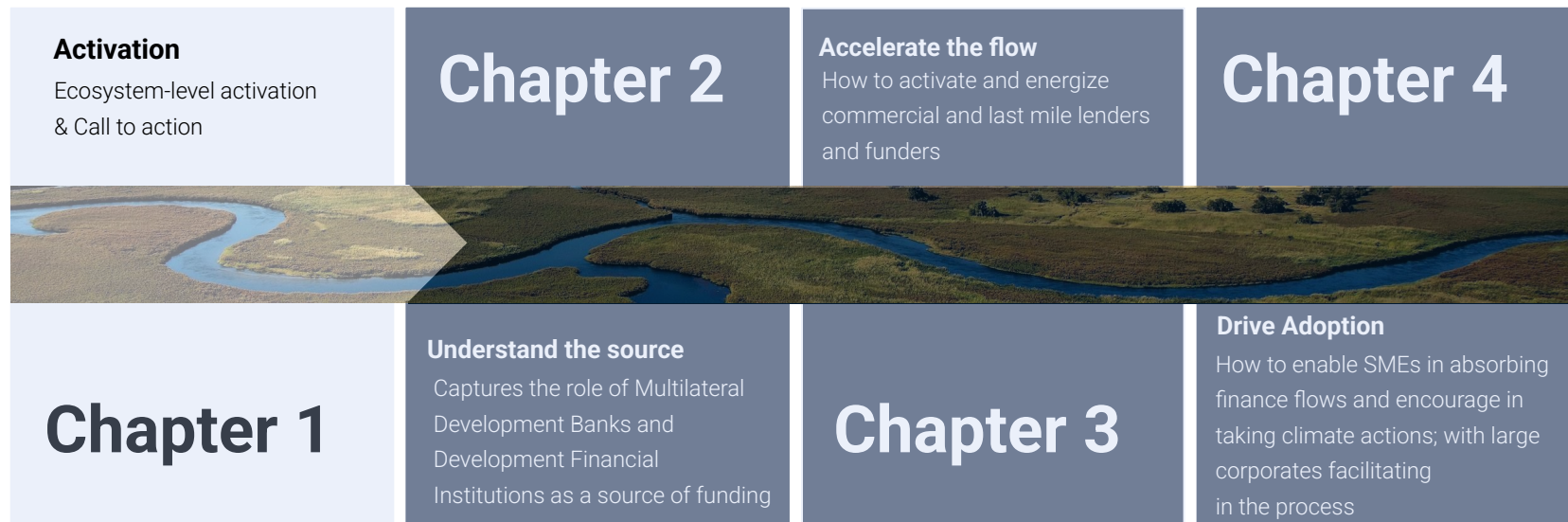
**Hannah Cool**

COO for Bankers for Net Zero

# SME Finance Sprint

**Accelerating SME Access to Finance to where it is needed most**

Throughout 2025, the Climate High-Level Champions will curate and highlight scalable and high-impact financing solutions that are being implemented by public financiers, commercial lenders, corporates and SMEs to accelerate climate action.



# Our Approach

[Climate-Proofing SMEs campaign](#) aims to empower and enable SMEs to take ambitious climate action. Central to this effort is the **SME Finance Sprint**, which seeks to facilitate SMEs' access to finance through:



Bringing together evidence of existing actions being taken by various stakeholders to facilitate knowledge sharing, celebrate leadership examples and drive scalability of solutions



Mobilizing an effort to bridge demand and supply by giving a call to action from a single platform



Setting out a forward looking shared 'action plan' for how each stakeholder plans to progress their actions, both individually and also collaboratively

Find out more at  
[climatechampions.net/campaigns/climate-proofing-smes/](https://climatechampions.net/campaigns/climate-proofing-smes/)

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