

Organisations representing and serving over six million SMEs across the globe urge governments to implement policies to empower SME Climate Action.

Dear Heads of COP30 Delegations,

Small and medium-sized enterprises (SMEs) are vital to accelerating the global net zero transition. SMEs make up 90% of businesses globally, contribute over 50% of the global GDP, and are the foundation of international supply chains. They are crucial to thriving economies and communities, supporting the livelihoods of 2 billion people per year. Their progress in reducing emissions is a major driver of the implementation and delivery of Nationally Determined Contributions (NDCs), and key to the resilience of global value chains.

Despite their importance, SMEs face significant risks if left behind in the net zero transition, often lacking the resources and support needed to take climate action and adapt to the direct and indirect impacts of climate change. In addition to practical tools for managing climate risks and reducing emissions, SMEs need enabling policies and targeted incentives to drive action. In the SME Climate Hub's latest [annual survey](#)¹, 80% of respondents reported either low government support, or a lack of awareness of available incentives*. This lack of supportive government policies remains one of the top barriers preventing SMEs from taking action to adapt to climate related risks.

To reach their own net zero targets, we urge governments to adopt **four key policy priorities** that will empower SMEs to effectively cut emissions and contribute to building new thriving economies.

1. Ensure policy frameworks enable SME engagement, recognizing SMEs as a distinct group that is critical to climate action

Policymakers can acknowledge the distinct attributes of SMEs, including their needs into climate and nature policymaking, by:

- Incorporating SMEs into National Determined Contributions (NDCs), National Adaptation Plans (NAPs), and National Biodiversity Strategies and Action Plans (NBSAPs), as well as relevant implementation frameworks. To achieve this, SMEs must be involved in the consultation processes, and in the development of objectives and incentives.
- Ensuring green public procurement policies are inclusive of SMEs, allowing them to have fair access to government contracts. Where such procurement frameworks do not yet exist, they should be developed with SME participation in mind from the outset.

¹ <https://smeclimatehub.org/the-sme-climate-hub-survey/>

- Incentivizing large corporations to maintain inclusive value chains by ensuring their net zero strategies actively include and support SME suppliers.

2. Contribute to and promote the business case for SME climate action

Governments can actively encourage and catalyse SME engagement, making net zero investment a viable business strategy for all SMEs by:

- Supporting research into the economic benefits of net zero for SMEs, such as cost savings, improved resilience to risk, and market opportunities.
- Raising awareness of the benefits of climate action and adaptation through consistent, targeted public communication and outreach campaigns.
- Providing more targeted support and incentives to SMEs where structural, regional, or sector-specific challenges limit the immediate economic benefits of decarbonization.
- Improving access for SMEs to proven net zero technologies and solutions by expanding market availability and reducing adoption barriers.

3. Promote a streamlined pathway and centralized guidance for SME climate action and adaptation

The provision of clear, streamlined guidance will enable SMEs to more easily take action to identify and address climate related risk. Governments can ensure that SMEs access the right tools and resources to progress on their climate action journey, through:

- Consistent, targeted messaging that directs SMEs to a central platform and/or government-endorsed resources.
- Creating standardized criteria and guidance for advisory services to ensure information is consistent, reliable, practical, and of high quality.

4. Mobilize accessible green finance for SMEs

Governments can facilitate SMEs' access to appropriate climate-related funding through:

- Incentivizing financial institutions and other ecosystem players to offer tailored, accessible financing products for SMEs.
- Developing and endorsing standardized frameworks and guidelines for SME green finance eligibility, supported by tools, to ensure SMEs can demonstrate readiness for green finance.
- Providing direct government support to SMEs for climate mitigation and adaptation, such as green grants, concessional loans, tax incentives and government-backed guarantees.

Effective climate action depends on leadership from policymakers, decisive action from large corporations and financial institutions and the active engagement of SMEs. As the driving force of economies around the world, small businesses must be equipped to contribute to the development of a thriving new net-zero economy.

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*The SME Climate Hub is an initiative of the We Mean Business Coalition, co-founded and operated in partnership with the Exponential Roadmap Initiative and the UN Climate Change High Level Champion's Race to Zero campaign.