



► Making a Just Transition toward environmental sustainability a reality for SMEs



By Dominik Biesalski and Cheryl Chan, MSME Branch, ENTERPRISES Department¹
December 2024

Summary

This brief provides an overview of the approach and impact of the SCORE4Climate Training and takes stock of two years of experience in implementing it. It additionally highlights good practices and lessons learned from Kyrgyzstan, Bolivia and Mauritius. The brief is structured as follows: Chapter 1 provides the background and rationale of developing the SCORE4Climate Training. Chapter 2 serves as an introduction to the SCORE Programme and the SCORE4Climate Training, including the objectives, methodology and content. Chapter 3 zooms into the experience and results from the implementation of SCORE4Climate in Bolivia, Kyrgyzstan and Mauritius. Finally, Chapter 4 highlights the lessons learned based on the implementation of SCORE4Climate to date.

The key recommendations highlighted include:

- 1) Building a strong business case for climate action by demonstrating the triple win of productivity, decent work and environmental sustainability is essential for securing buy-in from SMEs;
- 2) Achieving climate action in SMEs requires concerted efforts from SME workers and managers;
- 3) Translating complex concepts into tangible actions enables the operationalization of a just transition at the enterprise level;
- 4) Ensuring local ownership at various levels, both by identifying the right implementing partners and by aligning with policy frameworks, is fundamental to the training's sustainability.

¹ We would like to extend our gratitude to the colleagues and experts who provided valuable inputs and comments, including Dev Appalswamy, Marlen de la Chaux, Lilia Kachkinbaeva, Jeff Kristianto, Chandni Lanfranchi, Cristina Martinez, Shalini Mathaven, Gabriela Pinaya and Hernan Zeballos.

1. SMEs, just transition and climate change mitigation

Small and medium-sized enterprises (SMEs) contribute significantly to global employment and form the backbone of many economies. ILO research finds that self-employed, micro- and small enterprises provide more than 70% of employment worldwide.² However, SMEs and their workers face considerable challenges in the context of climate change. Compared to larger enterprises, SMEs typically have fewer resources and are therefore more vulnerable to the negative impact brought about by climate change, including extreme weather events, natural disasters, resource scarcity and price fluctuations.

At the same time, while the environmental footprint of individual SMEs may be insignificant, the aggregate contribution of around 400 million SMEs worldwide to greenhouse gas (GHG) emissions and pollution is substantial, with SMEs accounting for at least 50% of global emissions and 13% of energy demand.^{3 4 5} Increasingly, SMEs' environmental performance has also become a key consideration for clients, lead buyers and financial institutions.⁶ In particular, SMEs working in supply chains are encouraged by buyers and investors to adopt measures to reduce their GHG emissions and other negative environmental impacts.⁷ This is largely driven by the growing number of environmental sustainability regulations globally applicable to international supply chains.⁸ Furthermore, adopting sustainable practices provides SMEs with new business opportunities in the green economy by promoting innovation, improving reputation and gaining competitive advantage.⁹

SMEs are increasingly aware of the opportunities and demands linked to climate action. A recent survey conducted across 44 countries documents that 53% of SMEs regard reducing emissions as a priority,¹⁰ while 37%

of them were requested by buyers, investors and customers to take climate action.¹¹ Yet, despite this growing awareness, shifting market demands, and an evolving regulatory landscape, SMEs oftentimes face significant barriers to adopting green practices, including a lack of financial resources, knowledge gaps, or insufficient workforce skills. Additionally, many SMEs are concerned that initial steps toward climate action could affect productivity or pose challenges for their workers.

To ease these constraints and enable SMEs to thrive in a green economy, the ILO calls for a Just Transition – a sustainable and inclusive shift to a low-carbon economy while safeguarding decent work and productive employment. With the goal of making this a reality within SMEs, the ILO has therefore developed the SCORE4Climate Training. As part of the Sustaining Competitive and Responsible Enterprises (SCORE) Programme, SCORE4Climate takes an inclusive approach by bringing together workers and employers to collaboratively implement practical solutions for climate action. By seeking to also improve working conditions and productivity, SCORE4Climate thereby promotes a triple win for SMEs and their workers: Strengthening environmental sustainability, boosting business performance, and ensuring decent work for employees.



² ILO. 2019. Small Matters: Global evidence on the contribution to employment by the self-employed, micro-enterprises and SMEs.

³ Hampton, S., Blundel, R., Eadson, W., Northall, P., & Sugar, K. 2023. Crisis and opportunity: Transforming climate governance for SMEs. *Global Environmental Change*, 82, 102707. <https://doi.org/10.1016/j.gloenvcha.2023.102707>

⁴ ITC. 2021. SME Competitiveness Outlook: Empowering the Green Recovery.

⁵ IEA. 2015. Accelerating Energy Efficiency in Small and Medium-Sized Enterprises.

⁶ OECD. 2024. Sustainable finance for SMEs: Challenges and opportunities, in *Financing SMEs and Entrepreneurs 2024: An OECD Scoreboard*, OECD Publishing, Paris, <https://doi.org/10.1787/62bb6922-en>

⁷ ILO. 2022. Greening Enterprises: Transforming processes and workplaces.

⁸ <https://www.weforum.org/agenda/2024/09/supply-chain-sustainability-changing-regulation/>

⁹ OECD, et al. 2015. "SMEs in a green economy (Dimension 9) in Eastern partner countries", in *SME Policy Index: Eastern Partner Countries 2016: Assessing the Implementation of the Small Business Act for Europe*, OECD Publishing, Paris

¹⁰ <https://smeclimatehub.org/climate-change-increases-in-priority-for-small-business-but-barriers-to-action-remain/>

¹¹ SME Climate Hub, 2024. Mobilizing Small Businesses to Net Zero. SME Climate Hub 2024 Survey.

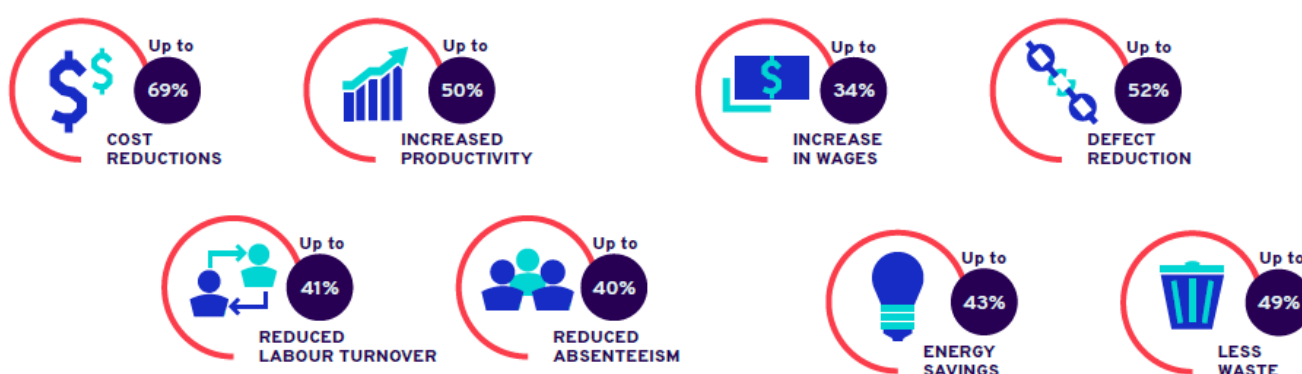
2. SCORE4Climate Training

2.1 Background: SCORE Programme

The ILO Sustaining Competitive and Responsible Enterprises (SCORE) Programme improves productivity and working conditions in SMEs through SCORE Training. It demonstrates best international practices in manufacturing and service sectors and helps SMEs participate in global supply chains. SCORE Training focuses on developing cooperative working relations resulting in shared benefits for SME owners and those who work there.

Since 2009, SCORE Programme has been implemented in over 30 countries across Africa, Asia, Europe, Central Asia, Latin America and the Middle East, with an overall satisfaction rate of 93%. To date, over one million workers and managers in more than 5,800 enterprises have benefited from SCORE Training. As of 2024, the percentage of participating enterprises that reported improvements are shown below (Figure 1):

► **Figure 1. SCORE Training results (as of 2024)**



2.1.1 SCORE methodology and modules

SCORE Training consists of a combination of practical classroom training and onsite consulting. The training for each module begins with a classroom workshop facilitated by SCORE Trainers and each enterprise is represented by at least four participants: two managers and two workers. After the workshop, SCORE Trainers visit the enterprises to offer advice and support as the training is put into practice. Furthermore, an Enterprise Improvement Team (EIT) is established within each enterprise to drive continuous improvements beyond the training period. The SCORE Training process is illustrated below (Figure 2):

► **Figure 2. SCORE Training process**



The SCORE Programme encompasses a wide range of training modules including workplace cooperation, quality improvement, climate action, workforce management, safety and health at work, gender equality and responsible business.¹² All enterprises start SCORE Training with the foundational module, namely Workplace Cooperation or SCORE Basics. Further modules are then selected based on priorities and specific needs of the enterprises and sector. Training modules are updated in response to market demand. The SCORE4Climate module replaced the former training module on resource efficiency and cleaner production (RECP).

¹² To learn more about SCORE Training modules, see <https://www.ilo.org/publications/score-training-catalogue>.

2.1.2 SCORE implementation model

To facilitate the outreach and delivery of SCORE Training, SCORE Programme identifies national or local organizations as implementation partners based on their interest, capacity and commitment to offer SCORE Training to SMEs. SCORE Programme works with public or private training institutes, productivity centres, government agencies, chambers of commerce, EBMOs, and private consulting firms. Implementation partners play a crucial role in anchoring and embedding SCORE Training in the national context, thereby ensuring its long-term sustainability and local ownership.

Box 1. Main responsibilities of SCORE implementation partners

Typically, SCORE implementation partners are expected to fulfil the following responsibilities:

- ▶ Adapt the global version of SCORE modules and tailor them to the local context with respect to the specific sector, relevant national laws and regulations, as well as cultural norms
- ▶ Promote and market SCORE Training to prospective enterprises
- ▶ Identify and maintain a roster of training providers and/or SCORE Trainers
- ▶ Coordinate SCORE Training delivery, including organization workshops, enterprise visits, certification ceremony, knowledge sharing event, etc.)
- ▶ Monitor quality of SCORE Training
- ▶ Develop a sustainable business model for financing SCORE Training
- ▶ Communicate regularly with the ILO on updates and report training results on the SCORE M&E database

While SCORE implementation partners are responsible for the promotion and coordination of SCORE Training, the delivery of SCORE Training is done by training providers, who are usually individual consultants, training organizations or consulting companies with specialized staff with technical skills in the thematic areas covered by the SCORE Training modules and experience in advising enterprises in operational business matters. Training providers receive Training of Trainers (ToT) which prepares them on the technical aspects of providing the training and consulting service to SMEs.

While it is more common that implementation partners sub-contract training providers for the service provision, some organizations have the capacity and mandate to be implementation partner and training provider at the same time.

2.1.3 SCORE Trainer development

To build the capacity of training providers to deliver SCORE Training, a SCORE Trainer development process is organized, which comprises a Training of Trainers (ToT) workshop, which is followed by implementing a Training of Enterprises (ToE) cycle. All Trainer Candidates have to first participate in a ToT and deliver ToE in the Workplace Cooperation module or the SCORE Basics before being further trained in any other SCORE Training module. Upon successful completion of the ToT workshop and ToE cycle, Trainer Candidates will be recognized as certified SCORE Trainers.

Since the launch of the SCORE4Climate module in 2023, specialized ToT on SCORE4Climate have been organized both at the global and country level to build the capacity of the global SCORE Trainer network on topics related to resource efficiency and circularity. As of September 2024, over 100 SCORE Trainers from 24 countries are certified by ILO to deliver SCORE4Climate Training. This pool of SCORE Trainers play a key role in introducing and scaling up the SCORE4Climate in their respective countries.

► **Figure 3. Countries with SCORE Trainers capacitated in delivering SCORE4Climate Training**

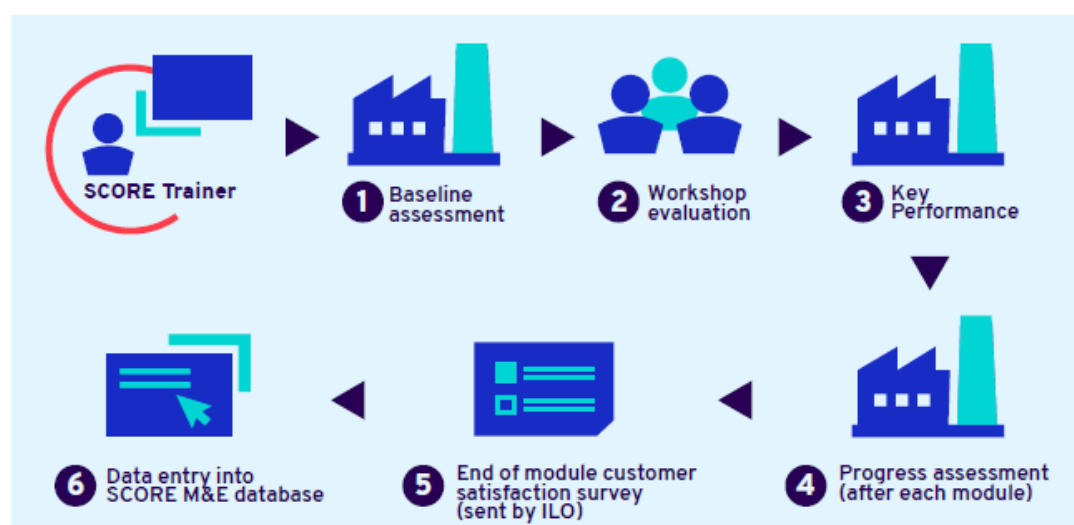


2.1.4 SCORE monitoring and evaluation

The SCORE Monitoring and Evaluation (M&E) system emulates the SCORE implementation framework, in which SCORE Trainers monitor the SMEs they train, assessing improvements in their productivity and working conditions after training. While the national SCORE implementation partners monitor and organize SCORE Training at the enterprise level, the SCORE Global Team monitors SCORE activities by coordinating with entities at the national/regional level.

The SCORE Programme has developed a SCORE M&E database, which keeps track of information related to TOT, TOE, SCORE Trainers and participating enterprises. To homogenize the data collected with respect to enterprise improvements in each country, SCORE Trainers are provided with standard baseline and progress assessment forms with a list of key performance indicators (KPIs) to monitor progress throughout SCORE Training. Following training on each module, SCORE Trainers are required to report enterprise data on the SCORE M&E database, including their profile and KPI data collected during baseline and follow-up visits. The data collection process is illustrated as follows (Figure 5):

► **Figure 4. Data collection process by SCORE Trainers**

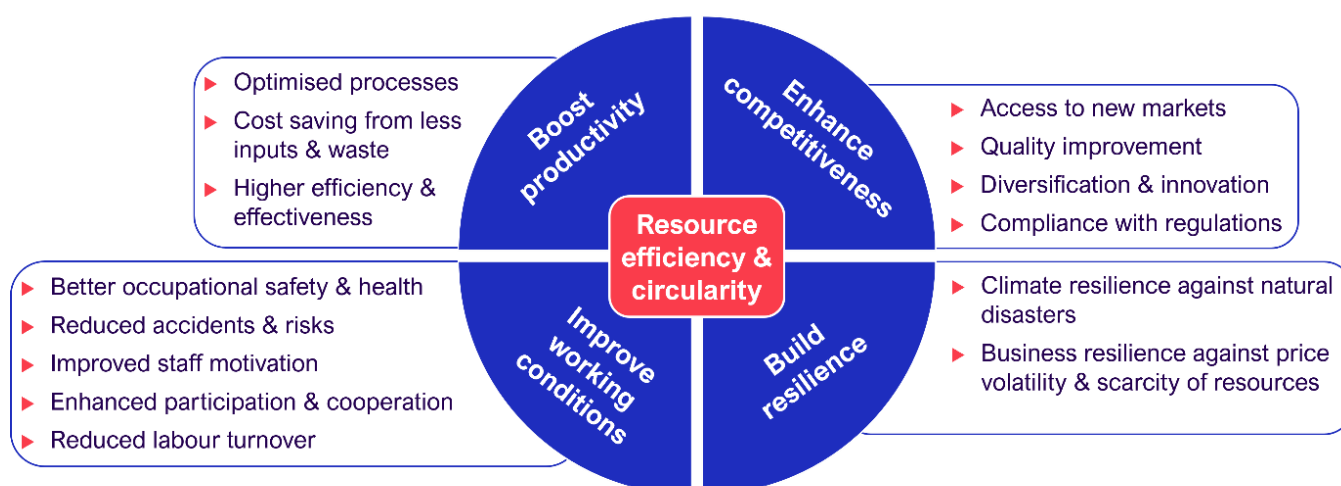


2.2 Objectives and target audience of SCORE4Climate

The overall objective of the SCORE4Climate Training is to support SME managers and workers to start their path toward a circular economy and net-zero emission with a view to improving working conditions, productivity and environmental sustainability in their enterprise. The training strengthens the business case of how going green and circular is vital to optimizing business performance and achieving decent work. In this context, “performance” of SMEs is understood as a holistic concept that constitutes four dimensions, namely productivity, working conditions, competitiveness and resilience (see Figure 3):

- **Boost productivity** through optimized processes, increased resource efficiency and cost-saving;
- **Improve working conditions** such as better occupational safety and health (OSH), leading to a reduction in accidents and risks;
- **Enhance competitiveness** by creating new opportunities to reach buyers and markets that prefer or require compliance with environmentally sustainable practices;
- **Build resilience** through reduced dependence on scarce resources.

► **Figure 5. Benefits of adopting RECP and circularity practices for SMEs**



Adopting green practices not only reduces SMEs’ environmental footprint but also benefits SMEs and their workers. In fact, many measures to enhance environmental sustainability often entail little to no cost and can be readily implemented by SMEs, such as monitoring resource use and improving waste management. SCORE4Climate focuses on supporting SMEs to seize “quick wins” and “low-hanging fruits” that serve as SMEs’ first step to take climate action. Furthermore, implementing green measures to reduce waste and GHG emissions in the majority of cases entails no cost or even a reduction in production costs.¹³ According to findings conducted by the International Trade Centre (ITC) among enterprises that invested in sustainability measure, 10% reported reduction in input costs, 19% indicated increase in product quality and 17.3% were able to access new markets.¹⁴

In line with the SCORE Training methodology, SCORE4Climate Training emphasizes cooperative relations and shared benefits between enterprises and their workers:

► **Table 1. Shared benefits between SMEs and their workers following SCORE4Climate Training**

Benefits for SMEs	Benefits for SME workers
• Save costs and increase profitability by reducing consumption of resources	• Improve working conditions through reduced waste and pollution generated at workplaces

¹³ ILO. 2022. Greening Enterprises: Transforming processes and workplaces .

¹⁴ ITC. 2021. SME Competitiveness Outlook 2021: Empowering the Green Recovery.

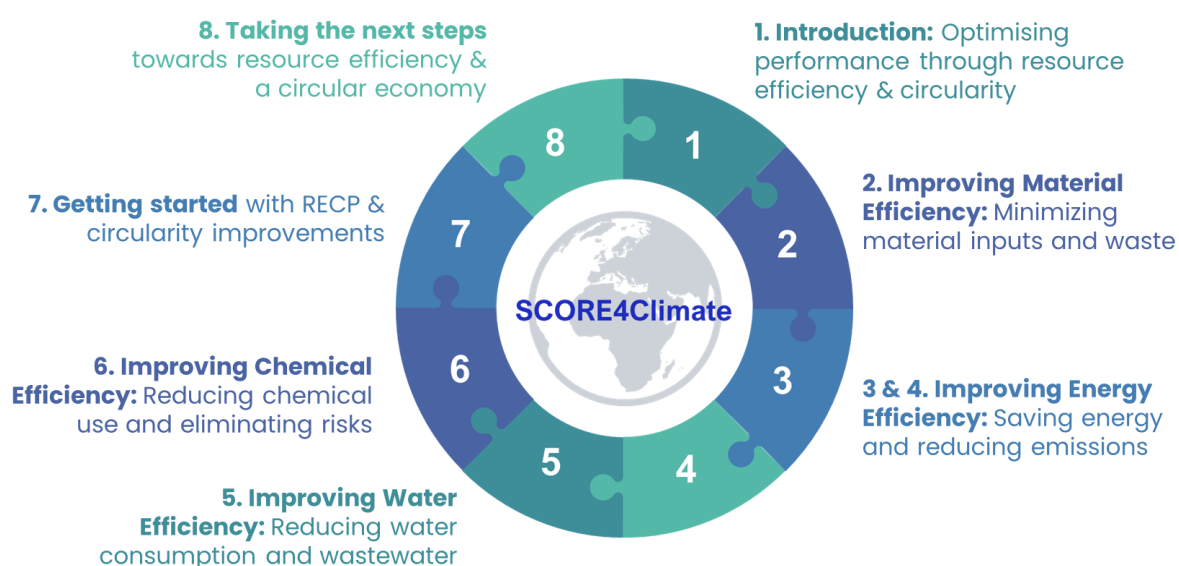
• Improve product quality through product diversification and innovation	• Minimize accidents and risks due to reduced exposure to hazardous materials
• Supports compliance with environmental regulations	• Improve efficiency and effectiveness by optimizing production processes
• Enhance competitiveness due to increased access to new markets and climate finance	• Encourage participation and cooperation in reaching environmental objectives

The SCORE4Climate module is designed for SMEs that have successfully completed the foundational modules of SCORE Training (i.e. Workplace Cooperation or SCORE Basics) and seek to take concrete actions to improve their environmental sustainability.

2.3 Content and key themes

The SCORE4Climate module comprises eight training sessions featuring four thematic areas, namely material efficiency, energy efficiency, water efficiency and chemical efficiency (see Figure 2).

► **Figure 6. Topics of the eight sessions in the SCORE4Climate module**



To enable SMEs to start their path towards a circular economy and reductions of their environmental footprint, this module goes beyond conventional RECP approaches by introducing concepts and strategies related to circularity and reducing GHG emissions. In addition to presenting simple tools and practical examples, this module also encourages them to go one step further by considering more sophisticated solutions (such as renewable energy), setting long-term environmental objectives, as well as introducing Environmental Management Systems (EMS).

Acknowledging that SMEs globally constitute a diverse and heterogeneous segment, the content of the SCORE4Climate module is highly versatile, and it is designed in a manner that can be easily adapted by SCORE Trainers. To address the specific needs of different countries and sectors, the module offers a wide range of good practices, industry examples, exercises and videos and that SCORE Trainers can select from to tailor the training to their target audience. Furthermore, the module demonstrates that going green and circular is not only achievable by enterprises with abundant resources and advanced technologies. By highlighting low cost and no cost options, participants are encouraged identify and implement simple solutions and easy opportunities to start their path towards a circular economy and net-zero.¹⁵ On the other hand, for those SMEs that are better equipped to adopt

¹⁵ For example, these may include improving housekeeping, process control, monitoring, insulation and minor equipment changes.

more advanced and sophisticated solutions, the module also features improvement options that require higher investment, such as solar energy and Environmental Management System (EMS).

2.4 Training process

SCORE4Climate Training follows the standard SCORE Training methodology, which is illustrated above in Figure 1 in Chapter 2.1. Prior to undertaking the SCORE4Climate Training, it is mandatory for enterprises to first complete an initial SCORE module (i.e. Workplace Cooperation or SCORE Basics), which introduces the fundamental principles, concepts and methodology of SCORE.

At the end of each training session during SCORE4Climate Training, SME managers and workers jointly create a list of improvement ideas to improve resource efficiency, reduce waste and move towards circularity based on enterprise's specific challenges and needs. In the final session, an Enterprise Improvement Plan (EIP) is developed, in which participants strategically plan and sequence various improvement projects for achieving short-, medium- and long-term objectives.

Box 2. Key role of the Enterprise Improvement Team

Following the classroom training, a cross-hierarchical and cross-functional Enterprise Improvement Team (EIT) that involves a wider group of workers and managers is established to implement the Enterprise Improvement Plan (EIP). In the context of the SCORE4Climate Training, the EIT works together to identify existing gaps in resource efficiency and circularity, sets priorities for improvements, determines potential improvement measures, evaluates their feasibility and implements the most viable options, thereby facilitating a continuous cycle of improvement towards a circular economy and net-zero.

3. Implementing SCORE4Climate: Experience and Results

3.1 Implementation in Bolivia, Kyrgyzstan and Mauritius

This Chapter zooms into the implementation of SCORE4Climate Training in Bolivia, Kyrgyzstan and Mauritius. In all three countries, SCORE4Climate Training was implemented with the active involvement of local partners. It is worth mentioning that the training was well-endorsed by the local partners, as it aligns with their existing initiatives and priorities.

 We have been very successful with SCORE Training and we are convinced that this new module will help companies to implement a circular economy in their business models.

Lucía Sossa, director of Global Compact Bolivia at CEPB¹⁶

- In Bolivia, the training was implemented in collaboration with the Confederation of Private Entrepreneurs of Bolivia (CEPB), as part of the ILO SCORE Project in Bolivia. The advocacy actions undertaken by the SCORE team in the environmental working group of the Global Compact in Bolivia have facilitated the efforts by CEPB's Corporate Social Responsibility Unit (URSE) in developing of a local and strategic approach for greening SMEs in Bolivia.¹⁷

- The ILO partnered with the JIA Business Association to pilot SCORE4Climate Training in Kyrgyzstan within the framework of the ILO project "Promoting just transitions for an environmentally sustainable economy in Kyrgyzstan". JIA showed strong interest in the training, as it aligns with the objectives of its Green Economy Committee to promote climate change and green economy concepts among its members.¹⁸

¹⁶ <https://www.ilo.org/resource/news/score4climate-new-score-training-module-launches-strengthen-smes>

¹⁷ <https://www.ilo.org/resource/news/score4climate-new-tool-promote-more-environmentally-committed-companies>

¹⁸ <https://www.ilo.org/resource/news/just-transition-and-climate-change-issues-high-constituents-agenda>

- The SCORE4Climate Training is being implemented in Mauritius by the National Productivity and Competitiveness Council (NPCC), along with the Ministry of Environment, Solid Waste Management and Climate Change, and the Human Resource Development Council (HRDC). The training was introduced under NPCC's "Econo-Biz" project, which aims to promote environmental sustainability and economic prosperity among SMEs and is now offered as part of the training services of NPCC.¹⁹

Box 3. Aligning with national frameworks and initiatives

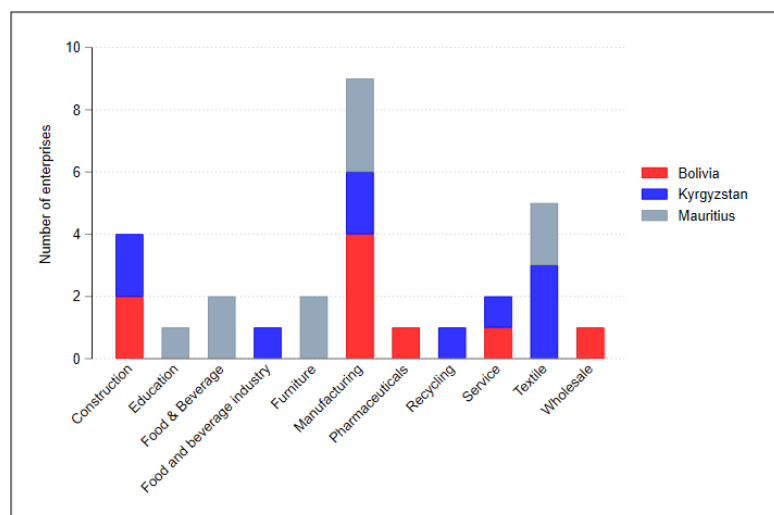
To ensure the ownership at the country level, the implementation of SCORE4Climate Training responds to the priorities of national frameworks and policies. For example:

- As a key intervention of the "Promoting just transitions for an environmentally sustainable economy in Kyrgyzstan" project, SCORE4Climate Training builds the capacity of SMEs and serves to localize the Just Transition process through actions on the ground.²⁰ The project was launched at the Partnership for Action on Green Economy (PAGE) Tripartite Consultation Workshop, and its activities were expected to contribute to the country's National Green Economy Programme (2019-2023). At the project's final workshop, the Executive Director of the JIA Business Association, highlighted the SCORE4Climate Training's alignment with the country's priorities.²¹
- SCORE4Climate Training aligns with the efforts of National Productivity and Competitiveness Council (NPCC) to promote the concept of "green productivity", thereby contributing to the government's objective of achieving an inclusive, high-income, and green Mauritius.²²

3.2 Enterprise characteristics and participation

Among the various countries where SCORE4Climate Training has been implemented, this section zooms in on three countries, namely Bolivia, Kyrgyzstan and Mauritius. Participating businesses represent a diverse range of sectors, with manufacturing, textiles and construction being the most prominent. The broad sectoral distribution underscores the module's applicability and relevance in various private-sector contexts (see Figure 5).

► **Figure 5. Geographic and sectoral distribution of enterprises**



There is substantial variation in the size of participating enterprises. While enterprises with 10 to 50 employees make up almost 50 percent of all SCORE4Climate participants, the training also included one enterprise with fewer than 10 employees as well as those with 50 to 200 employees.

A similar diversity is also observed in the years of operation among enterprises: 39 percent have been in business for over 20 years, while a significant proportion consists of relatively young enterprises (see Figure 6).

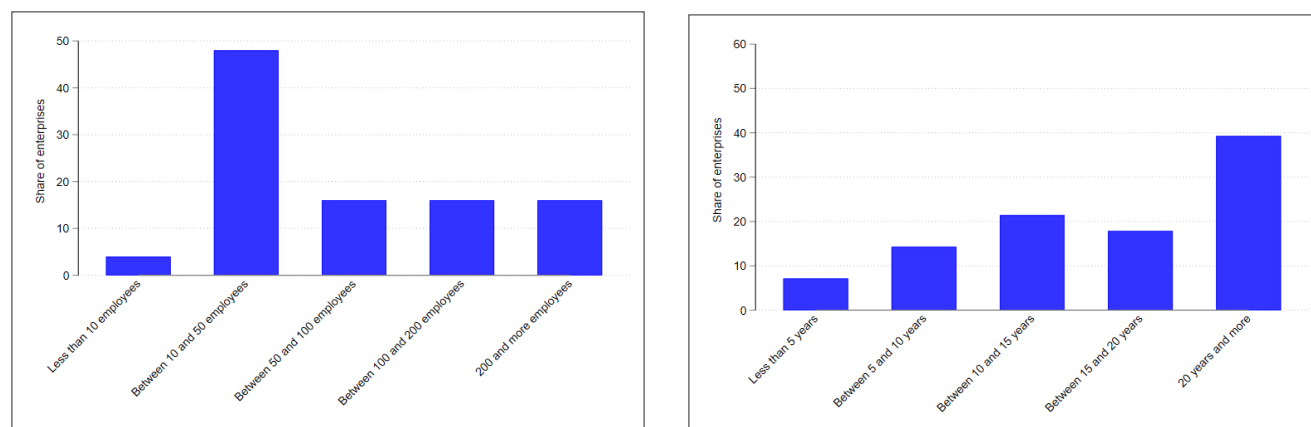
¹⁹ <https://www.npccmauritius.org/en/about-econo-biz.html#:~:text=ECONO%2DBiz%20is%20a%20project,energy%20and%20water%2C%20among%20others.>

²⁰ <https://www.ilo.org/resource/news/just-transition-and-climate-change-issues-high-constituents-agenda>

²¹ <https://www.un-page.org/news/advancing-inclusive-green-growth-and-gender-responsive-just-transition-in-kyrgyzstan/>

²² <https://www.npccmauritius.org/en/expression-of-interest-call-for-trainers.html>

► **Figure 6. Number of employees and years in operation**



Overall, SCORE Trainers visited the enterprises an average of four times after the workshop to provide tailored coaching to the participating enterprise. To drive continuous improvements beyond the training period, approximately nine improvement projects were implemented per enterprise by the EIT (see Table 3).

► **Table 3. Number of enterprise visits and improvement projects**

	Bolivia	Kyrgyzstan	Mauritius	Overall
Number of enterprise visits	4.1	3.0	4.7	3.8
Number of improvement projects	4.8	12.6	²³	8.7

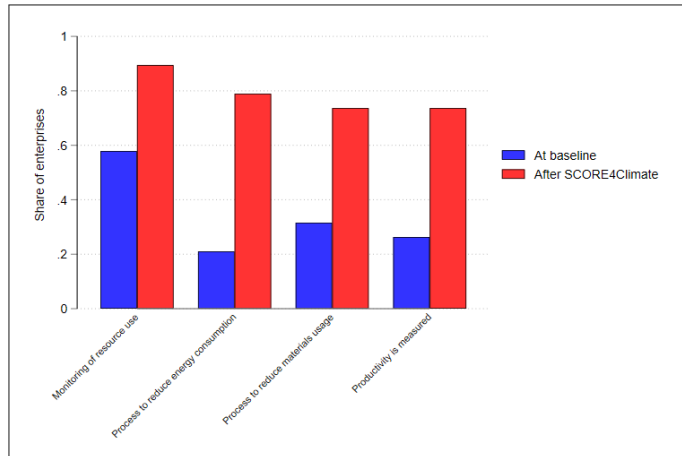
3.2 Impact on practices and performance

Participation in SCORE4Climate Training resulted in tangible improvements among the enterprises involved.²⁴ Notably, there was a significant increase in the adoption of management practices essential for sustainable production: As illustrated in Figure 7, the percentage of enterprises monitoring their resource use rose from approximately 60 percent to 90 percent following participation in the training. Similarly, the proportion of firms implementing processes to reduce energy consumption and material usage increased more than four- and twofold, respectively. Additionally, the training greatly increased the share of firms tracking their own productivity, a critical practice for enterprises to assess the impact of sustainable processes on overall performance.

²³ Data not available.

²⁴ Information presented in this section refer to SCORE4Climate trainings in Bolivia and Kyrgyzstan.

► **Figure 7. Adoption of sustainable business practices**

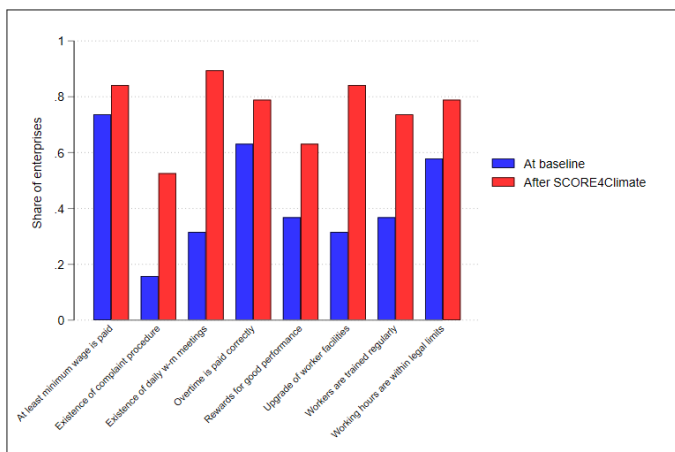


Adopting green practices also brought significant benefits to SMEs and their workers. As shown in Figure 8, the training led to improvements in numerous indicators related to working conditions, including increased prevalence of minimum wage compliance, paid overtime, worker training, and adherence to decent working hours.

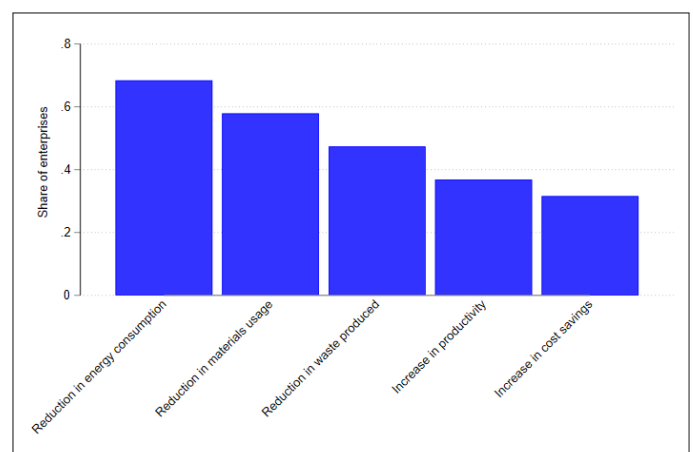
The adoption of sustainable practices, in turn, led to improvements in key performance indicators for all participating enterprises. Upon the completion of SCORE4Climate Training, approximately 32 percent of enterprises reported increased cost savings, 37 percent observed a rise in productivity, and nearly 70 percent experienced a reduction in energy consumption.

Additionally, 58 percent of firms reported reduced material usage, and 47 percent saw a decrease in waste production (see Figure 9).

► **Figure 8. Improvements for workers**



► **Figure 9. Impact on key performance indicators**



3.3 Examples of enterprise improvements

Based on the Circular Economy strategies and practices introduced in the SCORE4Climate Training, participating SMEs have adopted a wide range of enterprise improvement projects, which are illustrated below:

Case study 1. Material efficiency improvement through recycling waste fabric

Challenges faced

A company manufacturing babywear in Mauritius faced the challenge of excessive fabric waste. Prior to SCORE4Climate Training, there was no practice in place to reduce or manage such waste. The leftover fabrics occupied a large area of the workplace, until they were sent to the landfills at irregular intervals.

Improvement projects undertaken

The leftover fabrics were recycled: wastes of less than two metres were converted into fabric strips technically known as binding, which is used to cover the edges of a garment. In baby clothes, binding is found around the edges of items including onesies, rompers, bibs, blankets, and even hats. The following steps were involved in the production of binding using leftover fabrics:

- **Effective marker planning** helped reduce the amount of unused fabric, resulting in more sustainable and cost-effective production.
- **Collect and categorize leftover fabrics** based on colour, type, and size
- **Binding Production**, in which leftover fabrics were cut into strips of appropriate width and sewn or attached onto the edges of baby clothes as binding

Key results achieved

- Recycling of 105 kg of leftover fabrics waste as raw materials for new products, leading to cost savings of over USD 800 and avoidance of waste management through landfill.



Case study 2. Initial planning conducted on solar panel project to improve energy efficiency

Considering the anticipated increase in electricity charges, an enterprise in the education sector in Bolivia undertook a economic feasibility and benefits analysis to gauge the feasibility of a solar panel installation project.

- With an initial investment of approximately USD 108,434, a 13% return of investment is expected in 8 years.
- The monthly solar energy generation would amount to 9,619 kWh, representing 48% of total consumption, the emission of 583 tons of CO² would be reduced.

► Solar Panel Design Simulation



Additionally, a campaign was conducted throughout the enterprise to raise awareness regarding the efficient use of water and energy, as well as better waste management.

► Posters created as part of the awareness raising campaign



Case study 3. Water efficiency improvement through rainwater harvesting

Challenges faced

Prior to SCORE4Climate Training, a steel production and engineering company in Mauritius consumed an excessive amount of water in various activities, including waterjet cutting and vehicle cleaning. Furthermore, the company had not carried out a detailed analysis of consumption patterns and had not performed proper maintenance or inspections of the water supply system.

Improvement projects undertaken

To address the problem of high level of water consumption, the company conducted a water consumption analysis, which helped identify the main sources of potable water consumption. Based on the analysis, the company undertook the following measures:

- **Regular inspections and maintenance** were carried out to detect and repair plumbing system leaks and facility issues promptly, thereby preventing water wastage.
- **Employee awareness raising** was conducted through educating employees about the importance of water conservation. They were also encouraged to eliminate wasteful practices or report leakages.
- **Rainwater harvesting system** was installed. Rainwater collected was used for waterjet machine and washing vehicles, instead of potable water.

Key results achieved

- Installation of rainwater harvesting system and maintenance of water piping system decreased water consumption by approximately 50%.



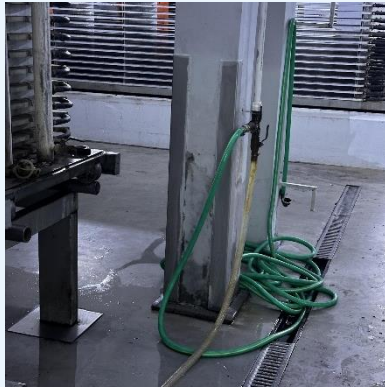
Case study 4. Reduction of water and energy loss along with working conditions improvement

Challenges faced

A food processing company in Kyrgyzstan experienced significant water losses due to leakage from valves and energy loss from poor insulations of pipes. Furthermore, there were deviations from OSH regulations as there was

no proper personal protective equipment (PPE) for workers and emissions from burning coal to heat up water endangered the health and safety of workers.

► **Water leakage from valves (left); Lack of PPE for workers (centre); Using coal as fuel (right)**



Improvement projects undertaken

- **Identification and elimination of sources of water loss:** Damaged valves were replaced and regular checks of water hoses and valves were performed to prevent water leakage.
- **Insulation of equipment and pipes:** To improve the thermal insulation of water tanks and vacuum drying apparatuses, refrigerant was used and polyester/polyurethane foam was applied to obtain a seamless insulation layer. Insulation of water pipelines was also improved by wrapping Isover brand foil/aluminium around the pipes and subsequently fixing with galvanised wire.
- **Capacity building on OSH:** Staff was trained on "Requirements for Labor Protection, Safety Engineering and Labor Legislation of the Kyrgyz Republic", and the chief engineer was appointed to ensure workers' safety across the company.
- **Introduction of PPE for workers:** PPE were provided for workers and instructions for the use of PPE were developed.

► **Hoses reconnected properly and faulty valves replaced (left); Provision of PPE for workers (right)**



Key results achieved

- Reduction of total water consumption by 7% (per 1 kg of products produced) by reducing water leakage.
- Reduction of energy loss by 20% as a result of proper insulation of equipment and pipes.
- Development and approval of OSH policy, Code of Corporate Ethics and Conduct, Policy on protection of the rights of pregnant women.

Future plans

Following SCORE's methodology, the company's EIT will sustain the continuous improvements beyond the training. Specifically, the following measures have been planned:

- ▶ Use heat pumps for water heating instead of coal, which would not only enhance energy efficiency but also reduced the harmful emissions produced.
- ▶ Replace circulation pumps with frequency (inverter) pumps to save energy.

Thanks to the support provided, workers of our company now understand what a “green” workplace is and what “green” technologies mean. At our enterprise, we analyzed the emerging losses in resource use. We are in the process of replacing old equipment with a new more energy-efficient one. The support provided was invaluable to us and we have been able to achieve significant result.

Mr. Tugushev Rafael, Deputy Director of a company in Kyrgyzstan²⁵

4. Lessons learned and way forward

As a concrete tool to support SMEs in their transition to a circular economy and net-zero, the implementation of SCORE4Climate Training has successfully yielded tangible improvements in terms of productivity, working conditions and environmental sustainability. While these initial interventions are relatively small-scale and do not provide sufficient data for comprehensive analysis, the overwhelmingly positive feedback from national implementation partners, SCORE Trainers and SME workers and managers alike is testimony to the effectiveness and relevance of the SCORE4Climate Training.

The lessons learned and recommendations from SCORE4Climate implementation are highlighted below:

1. **Building a strong business case for climate action among SMEs:** A common misconception among SMEs is that measures to reduce environmental footprints are costly and may undermine profitability. To raise awareness and secure the buy-in from SMEs, it is necessary to disrupt this misunderstanding and demonstrate how SCORE4Climate can support SMEs to achieve a triple win: boosting productivity, improving working conditions and enhancing environmental sustainability. For example, 92% of the participating enterprises in Kyrgyzstan reported that the resource efficiency measures taken contributed to an increase in revenues and production volume, as well as reduction staff turnover. Typically, convincing the SME owner and senior management by showcasing the benefits and expected impact of SCORE4Climate Training is fundamental at the outset.
2. **Achieving climate action in SMEs requires workers and managers to work together:** SCORE4Climate Training encourages concerted efforts by SME workers and managers to improve environmental sustainability. In addition to involving workers and managers in the EIT, many participating enterprises recognized the importance of engaging all workers in driving enterprise improvement projects. For example, some companies organized awareness-raising sessions for all employees to promote environmentally sustainable practices. Measures as simple as designating a specific time and employee to switch off lights and introducing reward programmes to encourage prompt report of water leakage have shown to be effective in promoting collaborative efforts in reducing environmental footprint across the enterprise.
3. **Translating complex concepts into concrete actions:** To operationalize Just Transition at the enterprise level, SCORE4Climate Training breaks down abstract, complex concepts such as the circular economy, carbon footprint and environmental management systems (EMS) into actionable ideas for SME workers and managers. In addition to guiding SMEs through a step-by-step approach to improving RECP and circularity, it provides a wide range of tools and good practices that SMEs can readily apply.

²⁵ <https://www.un-page.org/news/advancing-inclusive-green-growth-and-gender-responsive-just-transition-in-kyrgyzstan/>

4. Ensuring local ownership at several levels: The successful implementation of SCORE4Climate Training relies not only on identifying the right implementing partners, but also aligning with policy frameworks on climate action:

- Policy level: To foster the endorsement of SCORE4Climate Training and enable it to unfold with the maximum impact at the country level, it is important to align the training with national policy frameworks and embedded in action plans, if applicable. For instance, in Kyrgyzstan, SCORE4Climate Training is a key intervention of the “Promoting just transitions for an environmentally sustainable economy in Kyrgyzstan” project that contributes to the country's National Green Economy Programme (2019-2023).
- Sectoral level: The sustainability of SCORE4Climate Training requires the identification of implementation partners with sufficient capacity and incentives to drive its implementation. This is the case in Mauritius, where SCORE4Climate Training is being independently introduced by the National Productivity and Competitiveness Council (NPCC), with the support from the Ministry. With in-house SCORE Expert Trainers and long-standing experience in promoting green productivity, NPCC has demonstrated capacity to implement and sustain SCORE4Climate Training across the country. When identifying the right implementation partners, the following criteria should be considered:
 - i. Do they have relevant mandate/vision to promoting environmental sustainability, productivity and working conditions at the enterprise level?
 - ii. Do they currently provide business development services (BDS) to SMEs? Do they have access to SMEs and SME clusters?
 - iii. Have they previously implemented SCORE Training? Do they have in-house SCORE Trainers with expertise in RECP and circularity?
 - iv. Are they able to independently promote and mobilise resources to implement SCORE4Climate Training?
- Enterprise level: During SCORE Training, an EIT comprising workers and managers is established, which drives the implementation of the EIP, and ensures continuous improvement beyond the training.

The box below highlights the actions and initiatives undertaken by implementation partners in Bolivia, Kyrgyzstan and Mauritius to promote the sustainability of SCORE Training.

Box 4. Key initiatives by implementation partners to promote the sustainability of SCORE

The key actions and initiatives undertaken to promote the continuation and sustainability of SCORE4Climate Training among key partners are highlighted below:

- Following the ToT, the CEPB in Bolivia not only seeks to expand its scope to include new SCORE topics, but it will also promote access to a wide range of business development services for SMEs, thereby opening new pathways to business sustainability in Bolivia.²⁶
- JIA Business Association in Kyrgyzstan expressed its readiness to integrate SCORE4Climate Training into its Academy and Entrepreneur Support Centers,²⁷ and to continue with providing services using SCORE Training.²⁸ Furthermore, the capacity of local Knowledge Intensive Business Service (KIBS) was improved to independently promote and deliver training on the SCORE4Climate module.



JIA has established a Green Economy Committee and promotes climate change and green economy concepts among its members. JIA is highly interested in the new initiative.

► Zhoodar Omoshov, *Board chair, JIA business-association*²⁹

²⁶ <https://www.ilo.org/resource/news/ilo-bolivia-promotes-greener-and-more-sustainable-businesses-through-new>

²⁷ <https://www.un-page.org/news/advancing-inclusive-green-growth-and-gender-responsive-just-transition-in-kyrgyzstan/>

²⁸ https://jia.kg/en/news_detail/sodejstvie-spravedlivomu-perehodu-k-ustojchivomu-razvitiyu-dlja-msp/

²⁹ <https://www.ilo.org/resource/news/just-transition-and-climate-change-issues-high-constituents-agenda>

- SCORE4Climate Training was embedded in NPCC's service offering and its implementation of was driven by a number of in-house SCORE Trainers. A dissemination workshop was organized to showcase the achievements of the enterprises and raise awareness about green productivity. It served as an excellent opportunity to share the lessons learned and to encourage other businesses to implement green initiatives.

With a global network of over 100 SCORE Trainers capacitated to deliver SCORE4Climate Training, the ILO will continue to explore opportunities to expand the training to more countries. Additionally, a SCORE4Climate community of practice was established, which serves as a platform for SCORE Trainers to share experiences, best practices and innovative solutions.



International
Labour
Organization



International Labour Organization
Route des Morillons 4
CH-1211 Geneva 22
Switzerland

E: scoreglobal@ilo.org
W: www.ilo.org/score
DOI: <https://doi.org/10.54394/ZBRI5041>