



SWITCH AFRICA GREEN

Parallel sessions for Advancing Green
Business and Promoting Circular Economy in
Africa

Advancing green business through policies and green financing

Group 1

Moderator: Mr. Felix Okurut, Ministry of Agriculture, Uganda



Panelist

- Africa Agriculture and Trade Investment Fund (AATIF) – **Ms. Sheila Karue, United Nations Environment Programme (UNEP)**
- Innovative Financial Instruments and Mechanism for MSMEs – **Mr. Michael Omwony, Uganda Development Bank**
- Increasing Prospects for Green Financing – **Mr. Godfrey, Twinamatsiko, Stanbic Bank, Uganda**

Dialogue expectations

- The dialogues will be conducted as **four (4) parallel** sessions
- For each dialogue, there will be **three panelist** who will set the scene on that specific session.
- The discussions should focus on **identifying key policy directions** in form of **actions by policy makers, MSMEs, private sector, sub-regional and regional bodies including financial institutions.**
- The identified opportunities and key policy actions will be captured in the **Kampala Communique**- a road map to actualization of green business development in Africa
- Participants should not focus on the usual challenges (**lack of finance, capacity, technology, awareness, infrastructure, weak policies, lack of political will**) but give solutions that can help overcome challenges and spur replication and scaling up
- The participants should suggest **tangible recommendations** that can be in **an action plan**

Policies and Opportunities

- Green capital financial channels eg banks, micro finance, insurance companies, AATIF
- Favorable government policies
- Increased concern on climate change and greening (SDGs)

Challenges

- Low level policy dissemination and enforcement
- Lack of green financing infrastructure
- High risks in agriculture
- Narrow base of green finance instruments
- High interest rates
- Inadequate collateral base to access green finance
- Lack of technical skills by MSMEs

Challenges

- Scattered and individual nature of farmers

Solutions

- Disseminate and enforce policies
- Develop a database of information on green financing, polluters
- De-risk the agricultural sector
- explore other green financing instruments such as green insurance bonds, capital venture/markets to raise capital

Solutions

- Benchmark other countries in Africa with low interest rates e.g Mauritius 3%
- Focus on non collateral securities like debentures, guarantee
- Encourage formation of groups
- Capacity building for MSMEs/Technical assistance

Recommendations

- Advocate for blended financing (Grant and loan)
- Focus on Value addition, Tax contribution, employment and Environmental impacts
- Prepare Green financing policies and strategies
- Incentivize Organic Agriculture e.g reduction of residues, Tax holidays, VAT waivers

Project Partners

SWITCH Africa Green is developed and funded by the European Union and implemented by **UN Environment Programme** in collaboration with EU delegations and National Technical coordination committees (NTCCs) in the countries.



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