



# KAMPALA COMMUNIQUÉ for the Regional meeting on advancing green business and the circular economy in Africa

Kampala, Uganda, 24-25 February 2020

The SWITCH Africa Green programme held a regional meeting on the theme “Advancing green business and the circular economy in Africa” in Kampala on 24 and 25 February 2020. Officiated by the Minister of State for Environment, Ms. Beatrice Anywar, the regional meeting gathered together senior government officials and representatives from the European Union, regional economic communities, financial institutions, academia, the United Nations Environment Programme and micro-, small and medium-sized enterprises (MSMEs) from more than 25 African countries.

The meeting generated the following observations:

1. MSMEs form the backbone of Africa’s economies; today, small and growing businesses create about 80% of employment in the region.
2. In the African context, sustainable consumption and production means more efficient, better-informed and less resource-intensive consumption and production practices that still meet the basic needs of an ever-growing population that is fuelling growing demand for goods and services.
3. The circular economy contributes to green business development by eliminating or minimizing waste in the environment in a variety of ways, including by reducing, reusing, recycling, refurbishing and remanufacturing.
4. The scale-up of green business and circular economy practices in Africa is essential for the sustainable development of the region. Scale-up should include joint actions beyond existing programmes like SWITCH Africa Green.

Following two days of interactive discussions and deliberations, participants in the regional meeting agreed on the following:

## A. Green financing to advance green business

Innovative green financing mechanisms are needed to enable MSMEs to transition to sustainable business models. Green financing is also the catalyst for scale-up and replication of existing MSME operations in Africa. MSMEs are, however, faced with the challenges of difficult access to finance, high interest rates and limited capacity and skills for obtaining credit. Existing financial institutions such as banks also face the challenge of managing the risks associated with lending to MSMEs.

The following actions were agreed to facilitate access to financing for green business:

- i. Mainstream environmental and sustainable considerations in the financial sector to ensure that development and commercial banks take sustainability considerations into account when screening investment/business proposals.
- ii. Develop green fiscal instruments, including public investments, business taxes, subsidies and levies, to encourage green investment in the economy.
- iii. Governments should develop policies that encourage an increase in financial services for green business, such as green bonds and insurance schemes.
- iv. Governments should put in place policies, laws, regulations and standards that provide incentives for financial institutions to invest in green businesses, reduce risks and enhance enterprise productivity and profitability.
- v. Encourage private-sector financial institutions to establish environmental and social management systems and safeguards.
- vi. Financial institutions and MSMEs should jointly identify alternative innovative financing options beyond the traditional financial system and explore mechanisms such as associations, cooperatives, financial aggregators, green banking clinics, blended financing and alternatives to collateral (contract leasing) to facilitate access to green credit facilities.
- vii. Train MSMEs to develop bankable projects to bridge the gap in their access to financing.
- viii. Encourage the engagement of the private sector in supporting government efforts to implement green and sustainable development projects, including through public-private partnerships.

## B. Sustainable trade and markets

Scaling up and replicating green business practices and innovations requires sustainable trade and access to markets. The challenges of marketing green products in Africa include weak consumer awareness and information, poor development of standards and certification, unsustainable public procurement policies and practices, poor compliance and enforcement, lack of product traceability, and poor product marketing mechanisms.

The following actions were agreed to promote sustainable trade and markets:

- i. Bring suppliers, producers and financial institutions together to remove barriers to market access and sustainable trade (fairs and exhibitions).
- ii. Promote cooperation among standard-setting and certifying bodies to ensure that standards are adapted to the national context while meeting international standards in order to facilitate recognition.

- iii. Design and implement communication campaigns such as web and social media campaigns to improve consumer recognition of green standards and certified green businesses.
- iv. Create a portal to showcase green business opportunities derived from SWITCH Africa Green projects, matchmaking, benchmarking, networking and information-sharing.
- v. Identify opportunities for the creation of new markets through the introduction of circular practices, including through industrial symbiosis.
- vi. Harmonize regional standards to enhance market accessibility for green products and taking advantage of the Agreement Establishing the African Continental Free Trade Area.
- vii. Support patenting of green products – for example, through the World Intellectual Property Organization and the African Regional Intellectual Property Organization – to assist innovators and entrepreneurs in patenting their green products.
- viii. Ensure compliance with and enforcement of existing market regulations and policies.
- ix. Integrate sustainability requirements into all public procurement policies and regulations in all African countries.
- x. Include green exports in national and regional trade strategies and policies.

## C. Promoting the circular economy in Africa

Changing from a linear economy to a circular economy means utilizing green growth strategies that maximize Africa's resources by integrating circularity principles. Many circularity principles have been in use for generations in Africa. Repairing, refurbishing and reusing products has been and is still common in Africa. Such practices, however, have been dominated by inefficiency and wastefulness. A circular economy provides an avenue for creating efficiencies and increasing productivity, jobs and wealth and environment protection.

The following actions were agreed on to promote the circular economy in Africa:

- i. Integrate circular economy principles into existing national and regional development plans.
- ii. Review existing policies and legislative frameworks to incorporate circular economy principles and develop circular economy guidelines for the various sectors.
- iii. Replicate existing innovative approaches and promote sustainability designs in production.
- iv. Develop regulations, standards, guidelines and green taxation schemes that foster the movement of inputs and outputs in a circular economy.
- v. Develop circular economy programmes in selected countries to guide future scale-up and replication across the African continent.
- vi. Establish good data and information systems to monitor the implementation of circular economy initiatives and inform circular economy policymaking.

## D. Strengthening institutions for green business and the circular economy

Empowering MSMEs to adopt green business skills and providing them with access to cleaner, more resource-efficient technologies is critical. At the same time, the public sector, financial institutions and civil society need to broaden their skills to enable them to support MSMEs and the private sector in implementing the circular economy and applying green business principles and practices.

The following actions were agreed to strengthen institutions for green business and the circular economy:

- i. Strengthen the capabilities of national institutions for the development and implementation of green and sustainable policies, plans and programmes.
- ii. Strengthen regional institutions that promote green business development, such as the Africa Roundtable on Sustainable Consumption and Production, technical institutions and National Cleaner Production Centres.
- iii. Establish National Cleaner Production Centres and professional industrial associations to provide technical support in all African countries.
- iv. Carry out deliberate campaigns and strategies to create awareness of the uptake and replication of green policies and related actions.
- v. Enhance dialogues and interactions between green economy practitioners and academia to inform science-based policymaking.
- vi. Integrate green and sustainability considerations into the education curricula of different disciplines at the primary, secondary, vocational and tertiary levels.
- vii. Develop public awareness and communication packages targeting different stakeholders on opportunities for transitioning to a green, circular and sustainable economy.
- viii. Enhance the sharing of traditional knowledge on the circular economy and green business.

## E. Way forward

Participants at the regional meeting agreed to take the following actions to realize the ambitions set out in the communiqué:

- a) Develop a regional circular economy framework to harmonize policies and institutions to facilitate the implementation, uptake, replication, scale-up and governance of a circular economy in Africa.
- b) Develop a regional green financing mechanism that will guide financial institutions and train MSMEs in the preparation of bankable proposals.
- c) Organize national and regional dialogues among banks, MSMEs and governments on transformations and innovations that should remove barriers and change attitudes on access to finance for green business.
- d) Continue the process of strengthening institutions that promote and advance green businesses and the circular economy in Africa, notably the Africa Roundtable on Sustainable Consumption and Production and the National Cleaner Production Centres.
- e) Initiate the process of harmonizing regional standards to enhance market accessibility for green products and leverage the Agreement Establishing the African Continental Free Trade Area.

SWITCH Africa Green is funded by the European Union and provides policy support to Burkina Faso, Ethiopia, Ghana, Kenya, Mauritius, South Africa and Uganda in promoting sustainable consumption and production patterns in their transition to an inclusive green economy. The programme provides financial and technical support for the development of policy frameworks that support the greening of four key sectors: agriculture, integrated waste management, manufacturing and tourism.