

**REGIONAL MEETING SWITCH AFRICA GREEN  
KAMPALA, UGANDA, 24-26 FEBRUARY 2020**

**KAMPALA COMMUNIQUE**

**ON**

**ADVANCING GREEN BUSINESS AND CIRCULAR ECONOMY IN AFRICA**

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The SWITCH AFRICA GREEN PROGRAMME held a Regional meeting on “Advancing Green Business and Circular Economy in Africa” in Kampala Uganda, 24-25 February 2020. The regional meeting gathered the Minister of water and environment, Beatrice Anywa, Senior government officials, European Union representative, Regional Economic Communities, financial institutions, Academia, UN agencies and Micro Small and Medium Enterprises (MSMEs) from over twelve countries.

The meeting observed that:

1. Micro, small and medium-sized enterprises form the backbone of African economies. Today, those small and growing businesses create about 80 per cent of employment in the region. An emerging middle class is fueling demand for goods and services;
2. In the African context, sustainable consumption and production means more efficient, better-informed and less resource-intensive consumption and production practices, while at the same time meeting the basic needs of the ever-increasing population.
3. The circular economy contributes to green business development by eliminating or minimizing waste into the environment in a variety of ways, including reducing, reusing, recycling, refurbishing and remanufacturing.
4. The scaling-up of green business and circular economy practices is essential for sustainable development in Africa. This should include joint action beyond existing programmes such as SWITCH Africa Green. Activities implemented through such programmes present good opportunities for scaling up.

Following discussions and deliberations, the Regional meeting agreed on the following recommendations

## **A. Green financing to advance green business enterprise**

Innovative green financing mechanisms are needed to transition MSMEs to sustainable business models. Green financing is also the catalyst for scaling up of existing operations of MSMEs in Africa. However, MSMEs are faced with challenges of access to finance, high interest rates, limited capacity and skills to obtain credit. Existing financiers such as banks, also face challenges of managing risks associated with MSMEs lending, including in green financing.

The key actions to promote financing of green business agreed upon were:

- i. Mainstreaming environmental and sustainable considerations in the financial sector ensuring that development and commercial banks integrate sustainability considerations in screening investment/business proposals;
- ii. Developing green fiscal instruments, including public investments, business taxes, subsidies, levies among others to encourage green investments in the economy
- iii. Government policies that encourage financial services towards green business such as green bonds, insurance enforcement of polluter pays principle
- iv. Put in place policies, laws, regulations and standards that provide incentives for financial institutions to invest in green businesses, reduce risks, enhance productivity and profitability of enterprises
- v. Encourage Private sector financial institutions to establish environmental and social management systems
- vi. Financial institutions and MSMEs to jointly identify alternative innovative financing options beyond the traditional financial system and explore mechanisms such as associations, cooperatives, aggregators, clinics, blended financing, alternatives to collateral (contract leasing) to facilitate access to green credit facilities
- vii. Encouraging 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 replication of green business practices and innovations requires sustainable trade and access to markets. The challenge of marketing green products is weak consumer awareness and information, poor of development of standards and of certification, unsustainable public procurement policies and practices, compliance and enforcement, lack of traceability of products and poor mechanisms for marketing the products.

The key actions to promote sustainable trade and markets agreed upon were:

- i. Bringing Mainstreaming together suppliers and producers with the finance sector (fairs and exhibitions)

- ii. Promote cooperation (including PPPs) among standard setting and certifying bodies to ensure that standards are adapted to the national context while meeting international standards requirements in order to facilitate recognition
- iii. Design and implement a communication campaign (web and social media) to improve the recognition of green standards and certified green businesses among consumers.
- 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 take advantage of AFCFTA
- vii. Identify and promote high potential regional value chains such as sustainable packaging, pricing and costing
- viii. Support for patenting for green products for example the need for WIPO to assist innovators and entrepreneurs
- ix. Ensure enforcement of existing market regulations and policies
- x. sustainability requirements in public procurement
- xi. Include green exports into national and regional trade strategies/policies

### **C. Promoting Circular Economy in Africa**

The change from a linear economy to a circular economy aims at utilizing green growth strategies to maximize Africa's resources by integrating circularity principles. Many of these principles of the circular economy have been in use for generations in Africa.

Repairing, refurbishing and reusing products is common in Africa. Such practices however, have slowly been dominated by inefficiencies and wastefulness. A circular economy will provide an avenue for creating efficiencies, increase productivity, job creation and environment protection.

The key actions to scale-up circular economy in Africa agreed upon were:

- I. Integration of circular economy principles into existing national and regional development plans including land use plans
- II. Development of a regional circular economy framework to develop and harmonize policies and institutions to facilitate its implementation and governance in Africa.
- III. Development of regulations, standards and green taxation that permit and advance the transfer, transport of materials as inputs in a circular economy
- IV. Development of a circular economy programme within Africa in pilot countries as a basis for informing future scaling up across the region.

- V. Reviewing and updating of existing policies and legislative frameworks to incorporate circular economy principles and development of sector guidelines on Circular economy

#### **D. Capacity development and knowledge management**

Enabling and empowering MSMEs to transform and update their skills and providing them access to cleaner, more resource efficient technology is a key concern for many businesses. Capacity-building and knowledge management should be expanded to cover skills and technologies required for the private sector to implement green business interventions and the circular economy. In parallel, there is a need to extend training to government officials, focusing on the governance and policy environment, to enable them to support private sector development in implementing the principles of the circular economy.

The key actions to promote capacity development and knowledge management in green business agreed upon were:

- I. Strengthening regional frameworks promoting Sustainable consumption and production and green business development in the region- ARSCP and technical institutions- National cleaner production centers
- II. All African countries need to establish National cleaner production and centers and professional industrial associations to provide technical support
- III. Deliberate campaigns and strategies to create awareness of the uptake of policies and green related actions
- IV. Elaboration of capacity development strategies for different stakeholders based on a need's assessment, including training for trainers programs;
- V. Strengthening the capabilities of national institutions in the development and implementation of green and sustainable policies, plans and programs;
- VI. Integrating green and sustainability considerations in the education curricula of the different disciplines at the primary, secondary and university levels;
- VII. Developing public awareness and communication packages targeting different stakeholders, providing clear understanding of the opportunities and challenges for transitioning to a green and sustainable economy;
- VIII. Promoting vocational education and training in green sectors

#### Way forward

The Regional meeting agreed to carry out the following to actualize this communique

- a) Development of a regional circular economy framework to harmonize policies and institutions to facilitate its implementation and governance in Africa
- b) Develop Regional green financing guidelines for use by financial institutions and training them on integration of sustainability in credit management

- c) Organize national and regional dialogues between banks, MSMEs, and government on transformation and innovations that remove barriers and change attitudes on access to finance for green business
- d) Strengthen the Africa eco-label mechanism to promote access of Africa's green products to markets
- e) Train MSMEs on developing bankable projects to bridge the gap in their access to financing
- f) Promote sustainable Public procurement policies and regulations in the region.
- g) Strengthening regional frameworks promoting Sustainable consumption and production and green business development in the region
- h) Training for trainers programs on the development and implementation of green and sustainable policies, plans and programs