

Guidelines for Accelerating the Transition Towards a Circular Economy in Africa

Regional Validation Workshop
Accra, Ghana
24th August 2022



The objectives for today's session

The regional guidelines will complement ongoing efforts by the United Nations Environment Programme (through the SWITCH Africa Green programme), African Union Commission, African Circular Economy Alliance, and other regional entities working to develop strategies and action plans to advance a circular economy in Africa. This workshop therefore seeks to validate the proposed guidelines so that countries can adopt and adapt them to their specific context to accelerate the transition to a circular African economy

Our shared goal for today is to [validate the proposed guidelines](#) to accelerate the transition to a circular economy in Africa

Agenda

Time	Session	
11:30 – 12:00	Advancing a Circular Economy	
	Presentation on the challenges to advancing a circular economy, required critical enablers, stages in the transition towards a circular economy, and some examples of circular economy initiatives	15 minutes
	Q and A	15 minutes
12:00 – 12:30	Opportunities, Challenges, and Best Practices	
	Presentation on circular economy opportunities, challenges, and best practices in agriculture, manufacturing, tourism, and integrated waste management	15 minutes
	Q and A	15 minutes
12:30 – 13:00	Key Regional Guidelines	
	Presentation on the key regional guidelines and best practices to accelerate the transition towards a circular economy	15 minutes
	Q and A	15 minutes



Advancing a Circular Economy



The circular economy is not a new phenomenon in Africa as countries have been driving policy transitions to support circularity for years

ADVANCING THE CIRCULAR ECONOMY IN AFRICA

[2016] African Circular Economy Alliance

ACEA was conceived in 2016 at the World Economic Forum on Africa in Kigali, Rwanda. This government-led coalition to advance a circular economy was formally launched at COP 23 by Rwanda, South Africa, and Nigeria

[2019] African Ministerial Conference on the Environment

African ministers of environment committed to advance a circular economy to spur sustainable socio-economic development and job creation whilst reducing waste, pollution, and reliance on natural resources

[2019] Africa Union Circular Economy Expert Working Group

Technical working group established with the goal to draft a regional action plan to enable an integrated approach towards circularity

[2022] United Nations Environmental Assembly

Members adopted 14 resolutions to curb pollution, protect and restore nature worldwide, including a resolution on enhancing circular economy as a contribution to achieving sustainable consumption and production

[2022] Africa Circular Economy Facility

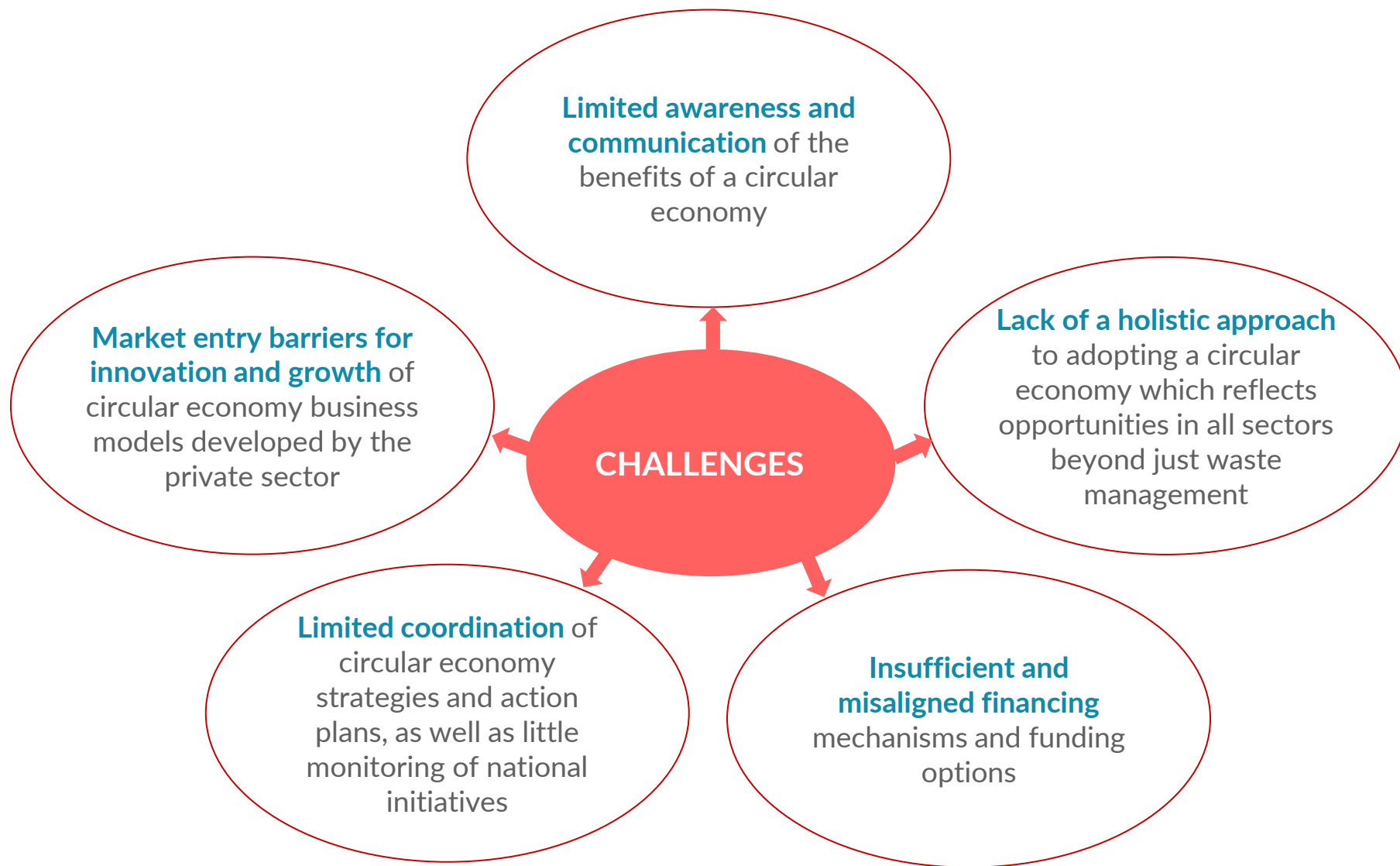
The Facility was launched to provide: (1) institutional capacity building to strengthen the regulatory environment for circular economy innovations and practices; (2) support to the private sector through a business development program; and (3) technical assistance to the African Circular Economy Alliance

A circular economy presents numerous social and economic benefits

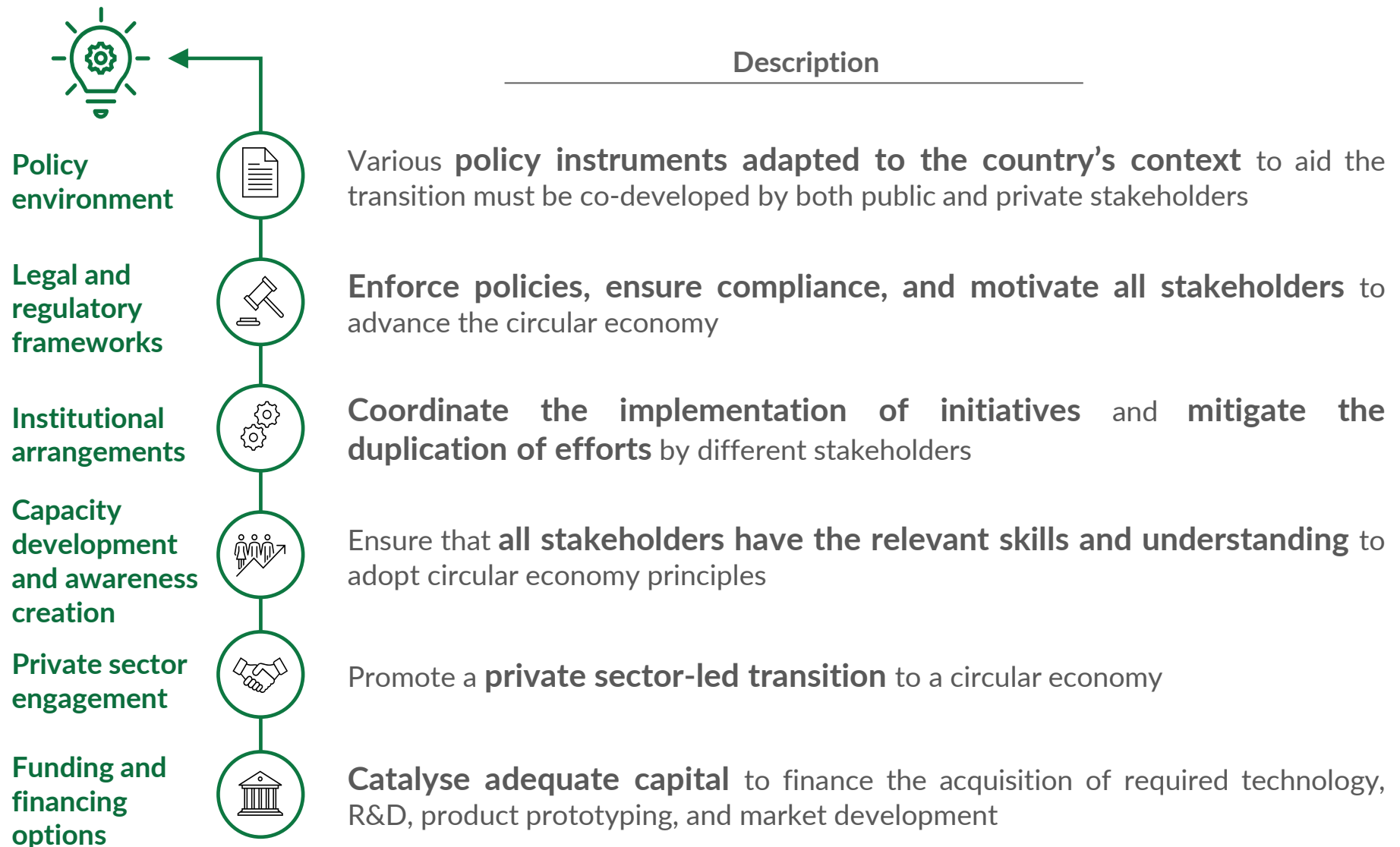
THEME	DESCRIPTION	EXAMPLE
Business sustainability	Global environmental crises stress the urgency of adopting greener business practices	 The livelihoods of over 70% of Sub-Saharan Africa's population are nature-dependent
Alignment with consumer preferences	Growing consumer awareness of the benefits of sustainable business practices	 South African consumers are increasingly boycotting brands they deem unsustainable
Access to finance	Investors and DFIs are increasingly using ESG and sustainable development as key criteria in investment decision-making	 Sanlam Investments partnered with Robeco to expedite Sanlam's integration of ESG criteria in their investments
Access to markets	Sustainable development and circular business practices are being integrated in the global regulatory environment	 The European Green Deal requires suppliers to the EU to meet the market's sustainability standards

Sources: African Law & Business, [The continued rise of investor interest across Africa](#), 2022; Funds Global MENA, [Robeco signs Africa ESG deal with Sanlam](#), 2020; CBI, [The EU Green Deal – How will it impact my business](#), 2021; World Economic Forum, [Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy](#), 2020; UNEP, [Our Work in Africa](#), 2022; Forrester, [Global Consumers Drive The Market Toward Sustainable Retail](#), 2021; InSites Consulting, [8 out of 10 South African consumers want brands to drive change for sustainability](#), 2022

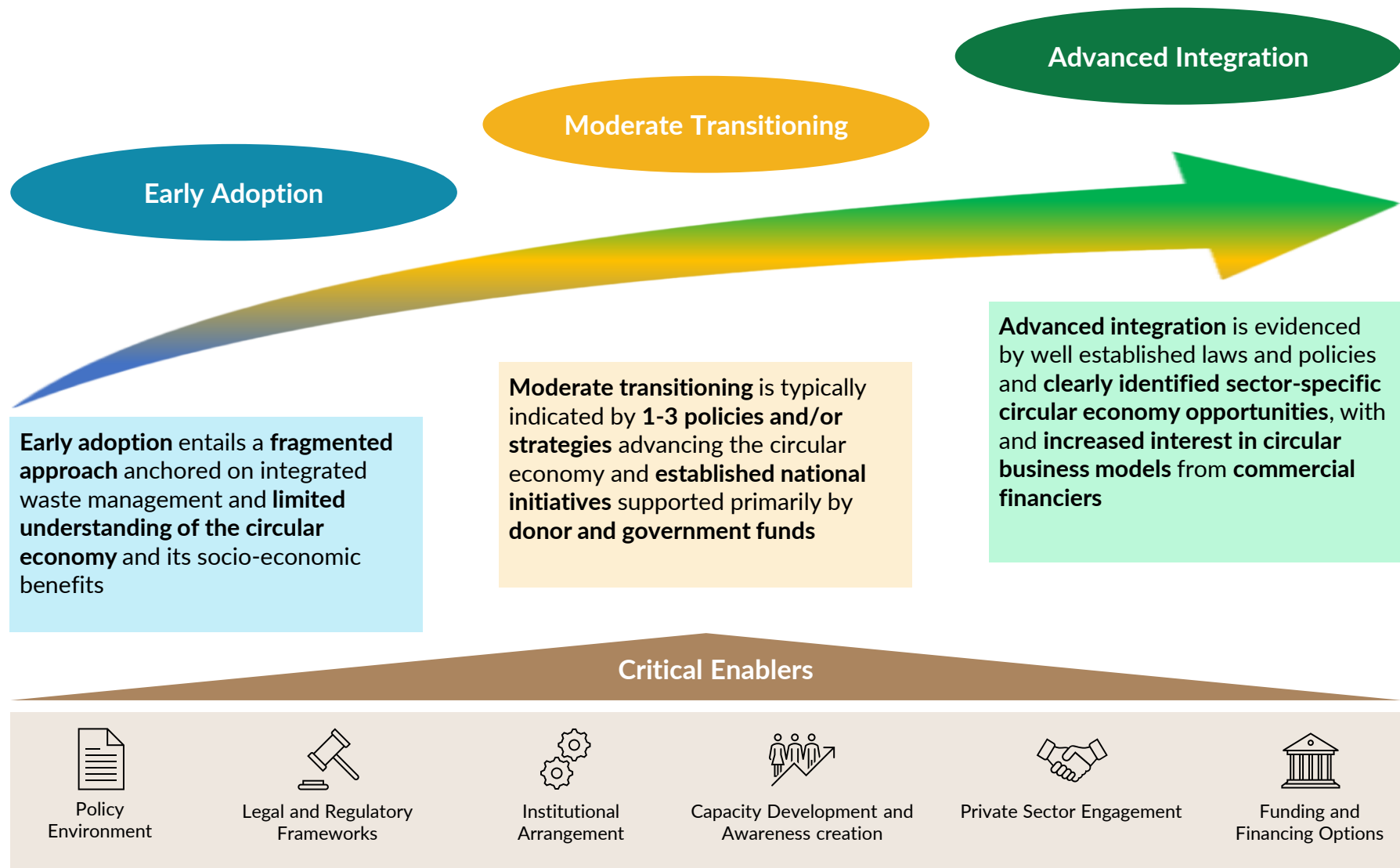
African countries face numerous challenges that hinder their ability to advance circular economy initiatives across different economic sectors



To address these barriers, six critical enablers are required to facilitate a regional transition to a circular economy



The adoption of circular economy principles across countries traverses a continuum with three distinct phases



Countries across the globe have developed roadmaps or guidelines to facilitate their transition to a circular economy

Non-exhaustive list

Chile

In 2018, Chile launched the first circular economy program in Latin America. The 2021 roadmap expounded on Chile's vision for a regenerative circular economy that fosters sustainable, fair, and participatory development to enhance social wellbeing. It has 7 indicators and goals for 2030 and 2040: creation of green jobs; decreased generation of solid waste per capita; reduced total waste generation per GDP; increased material productivity; increased general recycling rate; increased recycling rate of municipal solid waste; and the recovery of sites affected by illegal dumping.

Finland

In 2016, Finland became the first country to develop a national roadmap to a circular economy. The roadmap raised awareness and understanding within the Finnish population. It outlines the mechanisms needed to coordinate the national transition to a circular economy along 5 focus areas: food systems; forestry loops; technical loops; transport and logistics; and joint actions. In 2019, the roadmap was updated and contains 4 strategic goals for the 4 key actors in the transition.

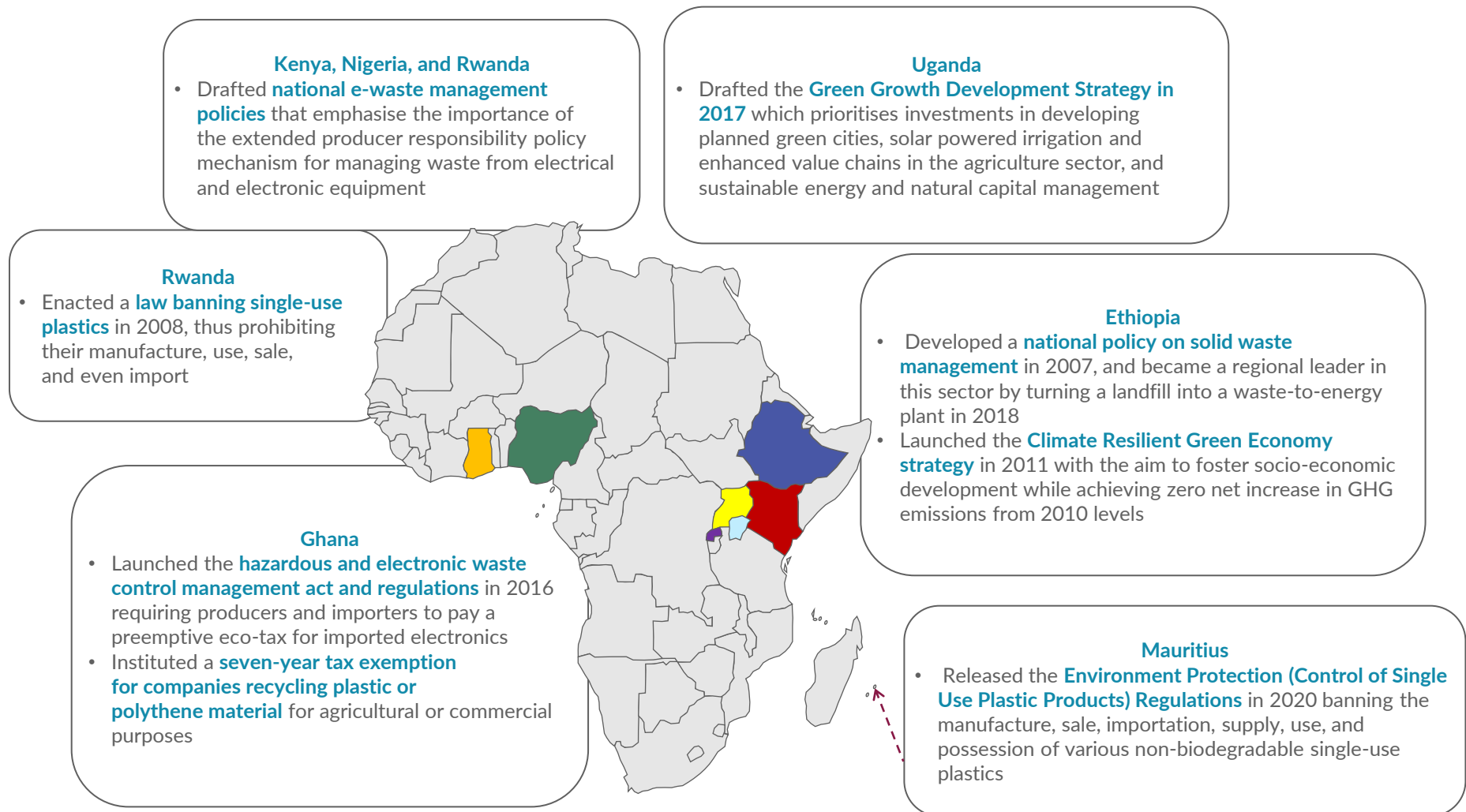
China

Adopting a circular economy has been part of China's economic development policies since 2000. The policies initially focused on waste management by converting waste from one company into a source of income for another. In 2017, China released an updated circular economy policy focusing on eco-design and extended producer responsibility.



Various policies and strategies have been developed to increase awareness of the circular economy and promote its adoption in Africa

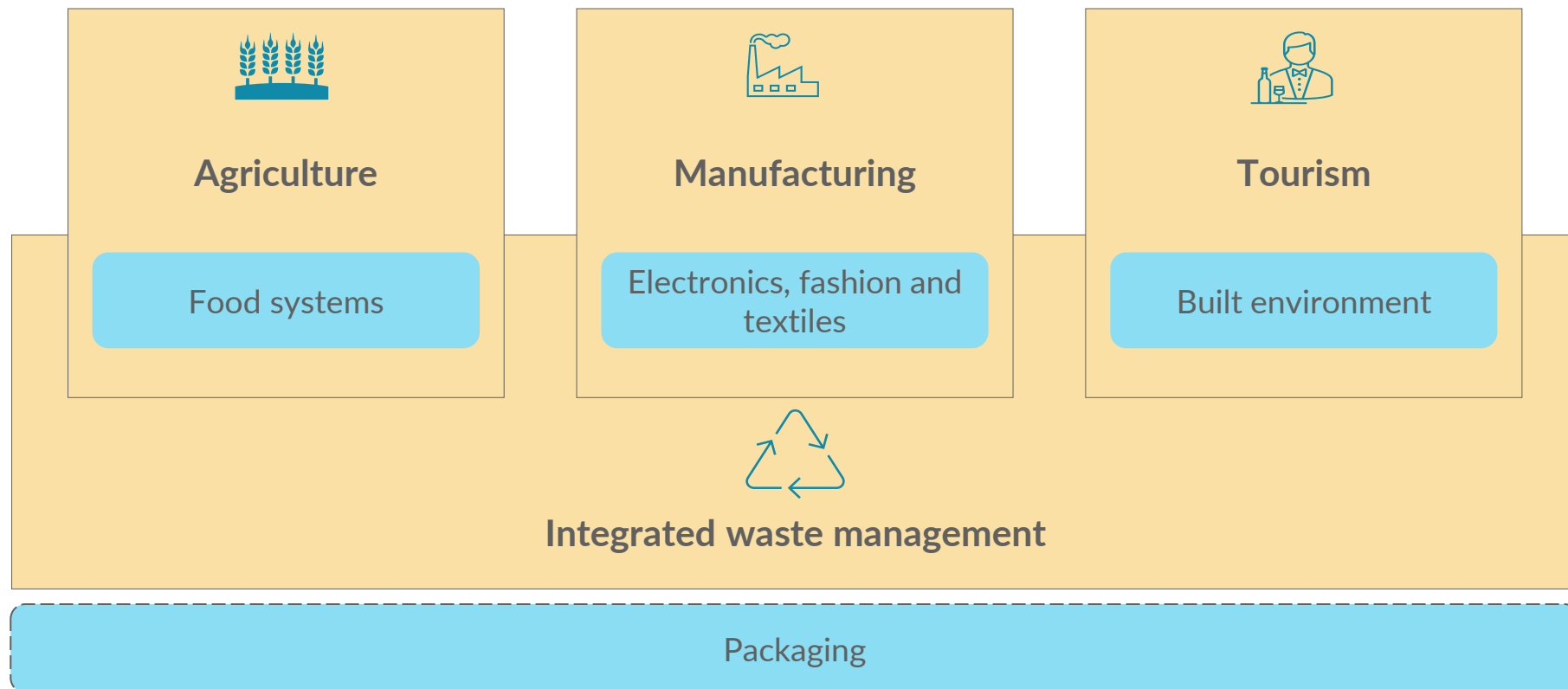
Non-exhaustive list



Q&A

Opportunities, Challenges, and Best Practices

Certain sectors and thematic focus areas have been identified to have high potential for circularity in Africa



The integrated waste management sector and the packaging thematic focus area are key concerns for many African countries across the other three key sectors

Agricultural production presents the most opportunities to immediately adopt circular economy principles in the sector

		PRODUCTION	DISTRIBUTION	CONSUMPTION
OPPORTUNITIES		• Reduce water loss through efficient irrigation practices to increase resource efficiency • Adopt regenerative farming methods to improve soil health • Reduce resource needs by adopting climate-smart practices such as operating vertical farms • Reduce post-harvest losses through improved mobile storage and transportation services	• Reduce distribution losses by simplifying supply chains using technology to directly link farmers to markets	• Reduce resource demand by consuming locally produced foods
		• Lack of technical skills to adopt innovative practices such as soil-less farming systems • Limited financial resources to replace traditional methods with efficient circular farming methods	• Limited access to markets beyond the local ones • Poor transportation services and limited storage available to keep produce fresh	• Increase in unhealthy eating habits that increase waste

Technical assistance, infrastructure development, and highlighting the benefits of using local produce will help unlock these opportunities

	PRODUCTION	DISTRIBUTION	CONSUMPTION
BEST PRACTICES	• Provide technical assistance to aid farmers adopt circularity • Increase financing to farmers to purchase required equipment • Develop the local agro-processing industry to process agricultural products • Establish enforceable regional standards for organic farming and products	• Develop digital platforms that connect farmers with markets • Promote cross-border trade to expand access to markets for available produce • Invest in appropriate infrastructure which is accessible to MSMEs and smallholder farmers	• Increase consumer awareness of the benefits of consuming local produce • Mainstream cuisines that reduce food waste and use ingredients that are in-season
EXAMPLES	• The Africa Agriculture and Trade Investment Fund provides loans of more than USD 3 million to businesses that are already operational • The EU's common agricultural policy strategic plans seek to support farmers and improve food security in the region	• Great Lakes Facilitation Project seeks to facilitate cross-border trade among COMESA member states • COMESA launched the Simplified Trade Regime to streamline the required documentation and procedures to clear small-scale cross-border trade consignments	• The Japanese Ministry of Agriculture, Forestry, and Fisheries created the Awards for Excellence in Local Production for Local Consumption acknowledging contributors to promoting the use of local produce and increasing understanding and awareness of local products among consumers

Reducing the reliance on virgin material as inputs will integrate circularity across the manufacturing value chain



OPPORTUNITIES

PRODUCTION

- **Recycle and refurbish** automotive parts
- Redesign manufacturing by **using non-virgin or alternative materials** that are circular, such as producing bioplastics using plant-based material

DISTRIBUTION

- **Redesign procurement** to promote circularity
- Create hubs to **circulate excess products**

CONSUMPTION

- **Purchase circular products**
- **Repair broken or malfunctioning products** rather than disposing of them

CHALLENGES

- **Lack of the required technological capacity** to adopt sophisticated circular processes
- **Higher costs of production** when using non-virgin or alternative materials compared with regular virgin materials
- **Limited R&D** on developing and adopting cost-effective alternative manufacturing materials and efficient technologies

- **Lack of a regulatory framework** that promotes the procurement of circular products

- **Limited demand** for circular products

Capacity building, awareness raising, and investing in R&D will accelerate the transition to circular manufacturing



BEST PRACTICES

PRODUCTION

- Capacity building through **tailored courses and practical training** on circular design, engineering, and manufacturing
- Provide **financial support** for buying equipment and technology required for circular production
- Increase **R&D investment** to create reliable inputs for economic sectors
- Foster **transnational partnerships among manufacturers** to improve skills transfer

DISTRIBUTION

- Prioritise **circular manufacturing and procurement** in national development plans

CONSUMPTION

- **Create awareness campaigns** to increase consumer interest in circular products to increase demand

EXAMPLES

- Der Grüne Punkt is **using recycled plastic material** to produce Systalen, a circular plastic product
- **Tech Access Partnership connects experienced and emerging manufacturers** to share information, technical expertise, and resources needed to scale up production of the health tools

- The Packaging Division of Siam Cement Group in Thailand **greened its sourcing** of flexographic ink, the most important material they use

- Zambia's Ministry of Commerce, Trade, and Industry initiated the **Proudly Zambian Campaign** to promote the production and consumption of high-quality Zambian products

Redesigning infrastructure, products, and services with circularity in mind are some of the key opportunities in the tourism sector



OPPORTUNITIES

PRODUCTION

- **Redesign infrastructure** by renovating existing buildings and making new buildings with circularity in mind
- Redesign the products used for catering (for them to be **biodegradable for instance**) and **eliminate single-use plastic**
- Create **novel circular tourist activities**

DISTRIBUTION

- Reduce resource needs by promoting **sharing services and places** such as shared accommodation and parks

CONSUMPTION

- Reduce transport emissions by buying **carbon offsets for miles flown** or using **electric vehicles** for high-end safaris
- Consume intentionally by using **certified and eco-labelled products** and services

CHALLENGES

- **High costs of materials and inputs** to produce circular products and buildings
- **Limited innovation** to integrate circular economy principles in the sector

- **Limited market demand** for shared services and facilities

- **Limited consumer awareness** of green tourism

Regional collaboration and cooperation is key in advancing a circular economy in the tourism sector



BEST PRACTICES

PRODUCTION

- Develop a **unified transnational certification system** to identify circular tourist facilities
- Create **incentives** to use mass timber and other alternative materials for the construction of new facilities
- Establish **uniform policies** to promote sustainable tourism
- **Invest in R&D** to discover innovative solutions that integrate circularity in tourism

DISTRIBUTION

- Create **incentives**, for both the users and the providers, that promote shared services
- Foster **collaboration between RECs** to identify resource-sharing opportunities

CONSUMPTION

- Promote local and regional tourism to reduce emissions from flights. **RECs can collaborate on developing circular tourist packages and programs** that attract local tourists
- Raise awareness on how to **offset individual carbon footprints**

EXAMPLES

- Circular Tourism Vietnam offers a **platform to collect insights and define strategies that incorporate circular economy principles in tourism**. The project also aims to launch a Circularity Lab that will offer services such as new circular idea generation and prototyping activities

- Central Asia Regional Economic Cooperation (CAREC) developed the CAREC 2030 strategy in which prioritises tourism. The Asian Development Bank then funded a **scoping study to determine how to promote regional cooperation** in tourism

- Ecotourism Kenya is an initiative with a **voluntary certification scheme that rates facilities** based on their socio-economic, cultural, environmental, and legal impact

Waste is a huge issue in Africa, and a circular economy offers numerous opportunities to use waste as an economic resource



OPPORTUNITIES

AGRICULTURE

- **Convert food waste into organic fertiliser** to increase circularity in food systems and soil health
- **Convert agricultural residue into energy** for more circular agricultural processing and distribution
- **Recover wastewater for irrigation** as a circular and climate-conscious practice
- **Use food waste to make animal feed** that is nature-positive

MANUFACTURING

- **Use recycled waste materials** to reduce the use of virgin inputs in cloth-making
- **Use plastic waste to create building material** that is affordable

TOURISM

- **Work with local farmers to take food waste and convert it into organic fertiliser**
- **Eliminate single-use plastic packaging**, especially on hotel-supplied toiletries
- **Reuse linens and towels** for extended stays to reduce energy and water usage
- **Replace toxic chemicals** with more natural cleaning and laundry products

CHALLENGES

- **Lack of technical skills** to convert food waste for other uses such as organic fertilisers, energy, animal feed, etc
- **Lack of funding** required to adopt technologies necessary for increased resource efficiency

- **High costs of alternative circular materials** compared to linear materials
- **Limited investment in R&D** to create reliable circular materials that can be used in manufacturing

- **Lack of awareness and/or limited willingness** to adopt circular practices
- **Limited affordable circular alternatives** to linear products

Regional alignment on circular practices and prohibitions, as well as R&D on resource recovery is key for effective waste management



BEST PRACTICES

AGRICULTURE

- Align on **food waste conversion processes** across RECs
- **Provide training to farmers on regionally acceptable farming methods** to produce quality organic products
- Create **incentives** to explore the uses of food waste
- Provide **support so those adopting circular practices** access required equipment and technologies affordably

MANUFACTURING

- Increase **investment in R&D** to develop reliable material from waste for use in manufacturing
- Create **regional partnerships** to promote the reuse of waste to increase circularity in the manufacturing industry

TOURISM

- Develop **regional agreements** on banning single-use plastics and other non-circular products
- **Partner with the private sector**, mainly businesses that make compostable and reusable items
- Create a **circularity certification program** for hotels and other tourist facilities
- **Increase public awareness** of circular economy benefits for local communities

EXAMPLES

- Opportunity International facilitates **training on good agricultural practices** to teach farmers effective soil health management and crop cultivation to increase harvests
- AgriProtein uses **insects to turn food waste into animal feed**

- HP partnered with Sinctronics to create a circular **reverse logistics ecosystem** in Brazil's electronics manufacturing sector

- BioPak offers a packaging solution by producing **compostable food packaging made from plants** and specifically designed for a circular economy. The company's product range include hot and cold cups, containers, plates, and cutlery

Q&A

Key Regional Guidelines

The purpose of these regional guidelines is to help make the business case for the circular economy

Guideline 1

Make the case for the circular economy by increasing awareness of its significance for sustainable development in Africa

Guideline 2

Establish policies and governance structures to ensure that national and regional policies on circular economy are complementary

Guideline 3

Strengthen market demand for circular economy products by providing effective incentives for firms to consider the impact on natural capital in their decision-making

Guideline 4

Increase access to financing for circular business models, including risk capital, by supporting financial innovation and entrepreneurial skills development

Guideline 5

Establish and harmonise sector-specific priorities and policies across countries and RECs

Make the case for the circular economy by increasing awareness of its significance for sustainable development in Africa

Recommendations

1

Establish **strong economic cases for a circular economy across African countries** aligned with their national priorities, goals, as well as regional and international commitments

2

Get **buy-in from the highest level of government** to enact national circular economy policies

3

Set regular multistakeholder discussion sessions to **strengthen public-private partnerships** and encourage a private sector-led transition

4

Coordinate **regional in-person and virtual peer learning platforms** across RECs to **foster collaboration** in circular business model development

5

Run **nationwide awareness-raising campaigns and capacity building programmes** to communicate the importance of adopting a circular economy and promote innovation

Finland developed a circular economy education package to increase awareness throughout the country



- Finland was the **first country to develop a comprehensive national circular economy roadmap**
- The Finnish Innovation Fund Sitra developed the **Circular economy teaching for all levels of education package** to facilitate the development of skills, knowledge, and understanding of the circular economy
- The package was **implemented through nation-wide lectures, presentations, and training sections** covering areas such as arts, engineering, behavioural sciences, and design
- As of 2019, **more than 70,000 students** from primary, secondary, vocational, and university institutions around the country had **studied about the circular economy**
- An external impact evaluation showed that in the future, **circular economy education could be permanently offered as formal courses in the Finnish education system**

Establish policies and governance structures to ensure that national and regional policies on circular economy are complementary

Recommendations

1

Establish an **institutional framework which explicitly states key stakeholders and their roles** in implementing national and regional initiatives to advance a circular economy

2

Create a **National Cleaner Production Centre to coordinate all sustainable production and consumption initiatives**. Where one exists, strengthen its capacity

3

Establish **national regulatory frameworks that are aligned across RECs** to reduce barriers to entry, exit, and growth of new circular firms and business models

4

Ensure **adequate resources for implementing, monitoring, and evaluating** regional circular economy strategies established by RECs

Complementarity in national and regional policies in the European Union has helped to drive the region's transition to a circular economy



- In 2020, the EU launched its **second Circular Economy Action Plan (CEAP)** which articulates the region's ambition to promote a just transition to a climate-neutral, resource-efficient, and circular economy globally
- It also stresses the need to **dematerialise the economy, reduce reliance on primary materials in economic activity, and secure access to resources** to build resilient supply chains
- **Key product value chains** are in electronics and ICT, batteries and vehicles, packaging, plastics, textiles, construction and buildings, food, water, and nutrients
- The latest CEAP also identifies required actions such as **developing sustainable product policy legislation** and **minimum mandatory green public procurement processes**
- As with the first CEAP, the current plan **also targets product design** while promoting circular economy processes and sustainable consumption
- Overall, the plan aims to **ensure that waste is prevented** by keeping resources used in production and consumption in the EU economy for as long as possible

Strengthen market demand for circular economy products by providing effective incentives for firms to consider the impact on natural capital in their decision-making

Recommendations

1

Engage the private sector to understand their needs to **unlock resources and increase innovation** to advance a circular economy

2

Enact **circular procurement policies for government entities** e.g., refurbishing furniture and internally circulating excess supplies to create demand for circular products

3

Co-develop **EPR policies for a range of products and sectors** with key stakeholders so circularity becomes embedded in business decision-making and operations

4

Phase out contradictory subsidies that support linear business models and establish **environmentally positive incentives across countries**

The Chemelot Region in Limburg, Netherlands, is creating demand for circular products



- In 2020, the Chemelot Region in Limburg, Netherlands, became the **first European Circular Economy Hub**
- The hub provides a space where **residents, MSMEs, and large industries** consider how they **handle raw materials, energy sources, and natural capital**
- Various companies, knowledge institutes, and government agencies came together to develop an **investment agenda** for the 2020-2030 period
- Some of its objectives are **promoting industrial symbiosis and creating new circular jobs** that will attract people and investments into Limburg
- Ongoing circular activities include **processing PET plastic and converting it into raw materials** for other products and **converting carpet waste into materials to make mattresses**
- A **local solar company** also supplies part of the electricity consumed

Increase access to financing for circular business models, including risk capital, by supporting financial innovation and entrepreneurial skills development

Recommendations

1

Allocate a **portion of the national budget for specific and prioritised circular economy initiatives** to channel funds towards circular economy solutions

2

Develop **technical assistance programmes for MSMEs** to equip them with the skills and documentation required to access funds designated for the circular economy

3

Develop **due diligence frameworks** that allow financiers to determine whether companies are truly adopting circular business practices and/or production processes

4

Engage regional DFIs to establish **innovative financial products** and adopt **proactive circular economy credit policies and lending strategies**

One of the largest international banking groups, is proactively seeking circular economy investments



- Intesa Sanpaolo launched the **Circular Economy Plafond of EUR 6 billion** for their 2018-2021 business plan
- In 2020, the **facility was extended to the Group's International Subsidiary Banks Division** which has strategic commercial banking presence in Central Eastern Europe, the Middle East, and North Africa
- Overall, **EUR 7.7 billion worth of financing has been provided through the Plafond**, and EUR 5.5 billion of this amount was disbursed in 2021 alone.
- A portion of the credit **facility supports investments in producing renewable energy, energy efficiency, sustainable farming, and biodiversity conservation**
- Another portion is allocated towards **green mortgages** to finance the purchase of new high-ranking energy-efficient homes or home renovations to meet the targeted energy efficiency rankings.
- By the end of 2021, about 300 **projects with circular criteria received over EUR 3.9 billion** total financing

Establish and harmonise sector-specific priorities and policies across countries and RECs

Recommendations

1

Conduct **national scoping studies to identify key sectors** with high potential for advancing a circular economy and the relevant business opportunities

2

Establish a **national fund to support R&D and innovation** for circular economy solutions

3

Liaise with regional trade partners to **collaboratively enact coherent policies and incentive frameworks** to advance the circular economy nationally and regionally

The Platform for Accelerating the Circular Economy is accelerating the transition in key sectors with high circularity potential



- The Platform for Accelerating the Circular Economy (PACE) was **launched in 2017**
- PACE has **developed the Circular Economy Action Agenda, a call to collaborative action** between governments, private sector, experts, consumers, and civil society to accelerate the transition to a circular economy globally
- The **Agenda is comprised of five publications** focusing on sectors identified to have the greatest potential for circularity
- Each publication includes:
 - **Objectives** of advancing a circular economy in the sector
 - Potential **social and environmental impacts** of achieving the set objectives
 - **Challenges** in implementing or scaling circular economy initiatives
 - **10 calls-to-action** to optimize impact, mitigate the barriers, and unlock new opportunities.

Q&A

Thank You