

Circular Economy - A Regional Perspective

*National Conference on Circular Economy
25 -27 May 2022*

*Le Méridien Hotel, Pointe aux Piments
Mauritius*

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Outline

1. Introduction – What is a circular economy
2. Major milestones for circular economy in Africa
3. Thematic focus areas
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5. Policies and strategies in the region – Examples
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What is a circular economy

- A circular economy aims at exploring opportunities to promote closed material loops and high levels of resource efficiency across the entire value chain.
- This concept implies designing products for using them as long as possible, reusing, refurbishing or, remanufacturing products at the end of service life, and recovering/recycling a maximum of resources to avoid waste in production, supply, use and disposal.

Major milestones for CE in Africa

August 2019 - Sector meeting on integrated waste management, Accra
Ghana

November 2019 - Durban, South Africa ... The Seventeenth regular session
of the African Ministerial Conference on the Environment (AMCEN)

December 2019, the ACEA secretariat hosted by the African Development
Bank.

March 2022 - UNEA 5.2 - Resolution 11 on circular economy (Africa group)

April 2022 - African Development Bank Group launched a new trust fund -
the Africa Circular Economy Facility (ACEF)

The African Circular Economy Network – Pool of African Circular Economy
Experts.



Thematic focus areas with high potential for circularity in Africa



Food Systems



Packaging



Fashion and Textiles



Electronics



Built Environment

- Agriculture employs about **60% of Africa's working population** and accounts for over 20% of the continent's total annual GDP
- Packaging is an input for various industries e.g., food and consumer goods. Waste from single-use plastic packaging has negative social and environmental effects
- The African fashion and textile industry is valued at USD 31 billion. While 95% of the material used to produce clothing is recyclable, **less than 1% is currently recycled** into new clothing globally
- **E-waste illegally deposited in Africa** could emit over 9 megatonnes of CO₂ and other harmful substance into the environment
- Production of cement, steel, and iron generates **11% of the total CO₂ emissions** from the global construction industry. Africa's urban population will be over 1.3 billion by 2050, resulting in increased demand for new buildings

What UNEP is doing to support circularity in the region

UNEP is seeking to enhance ongoing efforts for CE, by introducing guidelines that will accelerate the transition towards a CE in Africa. (With AfDB and Dalberg group)

- **Key questions to be addressed:**

- 1. Understanding the CE context in Africa**

- What is the potential impact of the circular economy in Africa across sectors? E.g. Number of Jobs, livelihoods, poverty, environmental, etc
- What are the region's main circular economy policies and key players?
- Why and how are countries struggling to advance the circular economy initiatives?

- 2. Understanding CE on a country level:**

- What are the policy gaps that exist in focus countries?
- What are the opportunities to advance CE in these countries?
- What are the main risks and challenges hindering CE promotion and transition in these countries?

- 3. Propose a Green Financing Mechanism for Africa**



Focus Countries



- Consult stakeholders in the 7 countries participating in the SWITCH Africa Green programme
 - **Burkina Faso**
 - **Ethiopia**
 - **Ghana**
 - **Kenya**
 - **Mauritius**
 - **South Africa**
 - **Uganda**

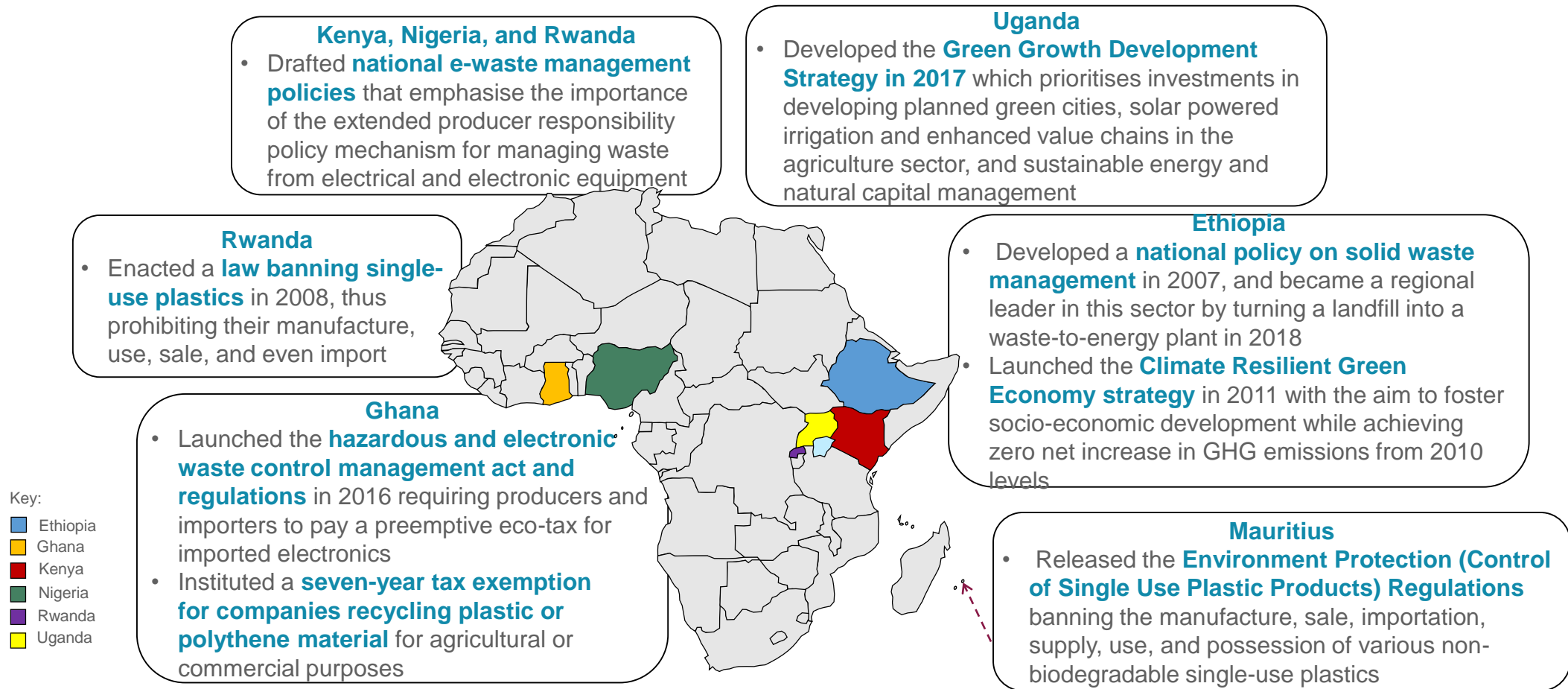


AFRICAN
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- Consult some stakeholders in ACEA member countries (i.e., Benin, Burkina Faso, Côte d'Ivoire, Ghana, Nigeria, Rwanda, South Africa, and Sudan)
- **Côte d'Ivoire, Nigeria, and Rwanda engaged in the consultations** so as to leverage the networks and experience in these countries.



Various policies and strategies have been developed to increase awareness of the circular economy and promote its adoption in Africa (non-exhaustive list)



Post-pandemic economic recovery presents an opportunity for African countries to build back greener through adopting circular economy practices.

Sources: Rwanda Environment Management Authority, [Guidelines on procedures and conditions for eligibility to grant exceptional permission to manufacture, use, import, or sell single-use plastic items or pack goods in single-use plastics](#), 2019; Dalberg analysis, 2022; MDPI, [Municipal Solid Waste Management Policies, Practices, and Challenges in Ethiopia: a Systematic Review](#), 2021. UNEP, [Ethiopia's waste-to-energy plant is a first in Africa](#), 2017. UN, [Workshop on Tax Incentives and Base Protection. Sample Legislative Provisions \(Ghana\)](#), 2015. Ellen MacArthur Foundation, [circular economy in Africa: Examples and Opportunities](#), 2021; [Ethiopia's Climate Resilient Green Economy](#); European Commission, [E-waste management in Ghana: from grave to cradle](#), 2019; National Planning Authority, [Uganda's Green Growth Strategy](#); [Mauritius' Environment Protection \(Control of Single Use Plastic Products\) Regulations 2020](#)

The transition towards a circular economy presents social and economic benefits for the private sector

Theme	Description	Case example
<p>Business sustainability</p>	<p>The climate crisis and loss of natural capital have highlighted the urgency and need for businesses to adopt greener business practices. Hence, sustainability is becoming a determinant of business competitiveness.</p>	<p>Over 50% of total global GDP is estimated to be nature-dependent. In Sub-Saharan Africa, over 70% of the population depends on forests and woodlands for their livelihoods.</p>
<p>Alignment with consumer preferences</p>	<p>Growing consumer awareness of the importance of transitioning to sustainable business practices such as the circular economy has direct implications for the businesses and/or products they choose to support.</p>	<p>In France, 60% of adults who make online purchases prefer to purchase eco-friendly products. In metropolitan China, 82% of online shoppers have this similar preference.</p>
<p>Access to finance</p>	<p>Investors and DFIs are increasingly using ESG and sustainable development as key criteria in their investment decision making processes. To access finance from these entities, businesses must ensure that their objectives and activities align with the investment mandates of the providers of capital.</p>	<p>97% of Robeco’s EUR 201 billion AUM are managed under assets that have integrated ESG policies. The firm seeks 100% ESG compliance across all its investment funds as part of its long-term strategy.</p>
<p>Access to markets</p>	<p>The global regulatory environment is integrating sustainable development and circular business practices. Therefore, businesses seeking to operate in both domestic and international markets must proactively comply with these requirements.</p>	<p>The European Green Deal introduced in 2019 to support the EU’s goal to reduce GHG emissions and be carbon neutral by 2050 requires suppliers to the EU to adhere to the market’s sustainability standards.</p>

- Sources: African Law & Business, [The continued rise of investor interest across Africa](#), 2022; [Robeco](#), 2022; 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](#), 2022; Forrester, [Global Consumers Drive The Market Toward Sustainable Retail](#), 2021; Dalberg analysis, 2022

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



Limited legislation, regulation, and policies that provide concise guidance on transitioning towards a circular economy

- Existing national development policies focus more on climate change mitigation, green economy, and waste management
- Where policies exist, regulation is either limited or fragmented
 - E.g., South Africa has an Extended Producer Responsibility policy, but implementation and enforcement was relegated to the 7 Producer Responsibility Organisations who each developed mandates for their specific sectors or industries



Absence of an enabling financial environment to support a circular economy

- Financial products tailored towards greening activities and climate technology are limited
 - Circular business models are also viewed as complex and risky
- Tax incentives and subsidies for adopted circular practices are underdeveloped compared to those for the linear economy



Lack of access to the right technologies and expertise for businesses to adopt circular economy practices

- Current green technologies are expensive and therefore inaccessible to many businesses in Africa
- Many businesses, especially MSMEs, lack the technical expertise to adapt to circular economy practices



Fragmented interest in transitioning towards a circular economy

- Cooperation between different key actors in making the transition is low
- Some incumbent industries are resistant to changing “business-as-usual” and adopting new and greener practice

To enable African countries to make the transition to a circular economy, there needs to be guidelines that increase awareness of the circular economy and provide a clear pathway to adopting circular economy principles

Ongoing activities on Circular Economy - country examples

South Africa – Circular Economy guidelines in the waste sector and training on CE and climate smart agriculture, 2022

Nigeria – Circular Economy Working group- looking at various sectors energy, waste, water, etc. Training on Circular Economy of regulators, communities and private sector at national, state and local levels

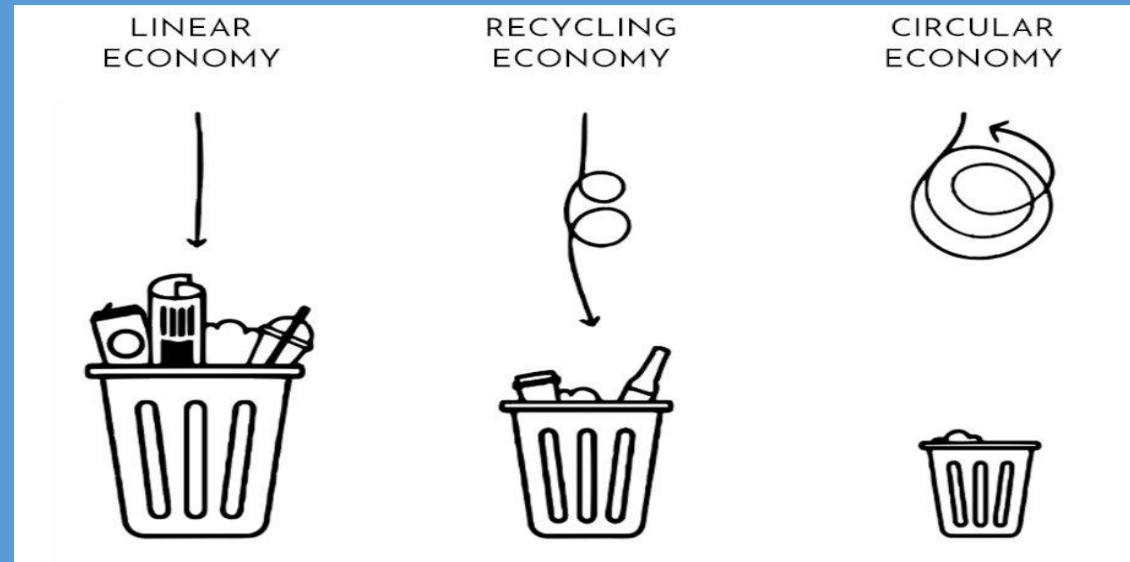
Rwanda – Circular Economy Action Plan, 2022

Seychelles – Circular Economy Action plan, 2023

Way forward

- **SWITCH Africa Green countries** – Industrial symbiosis looking to upscale and replicate in the context of CE
- Retooling and reskilling as part of **capacity development** on circular economy especially for the regulators, communities and private sector.
- Enhancement of **institutional, policy and regulatory framework**.
- Development of **regional circular economy frameworks** – involving AUC and the 8 RECs.
- **Stakeholder engagement and Partnerships** – country representatives, UNEP, EC, ACEA, WEF, WCEF, AfDB, etc.

THANK YOU



<https://www.unep.org/switchafricagreen/>