



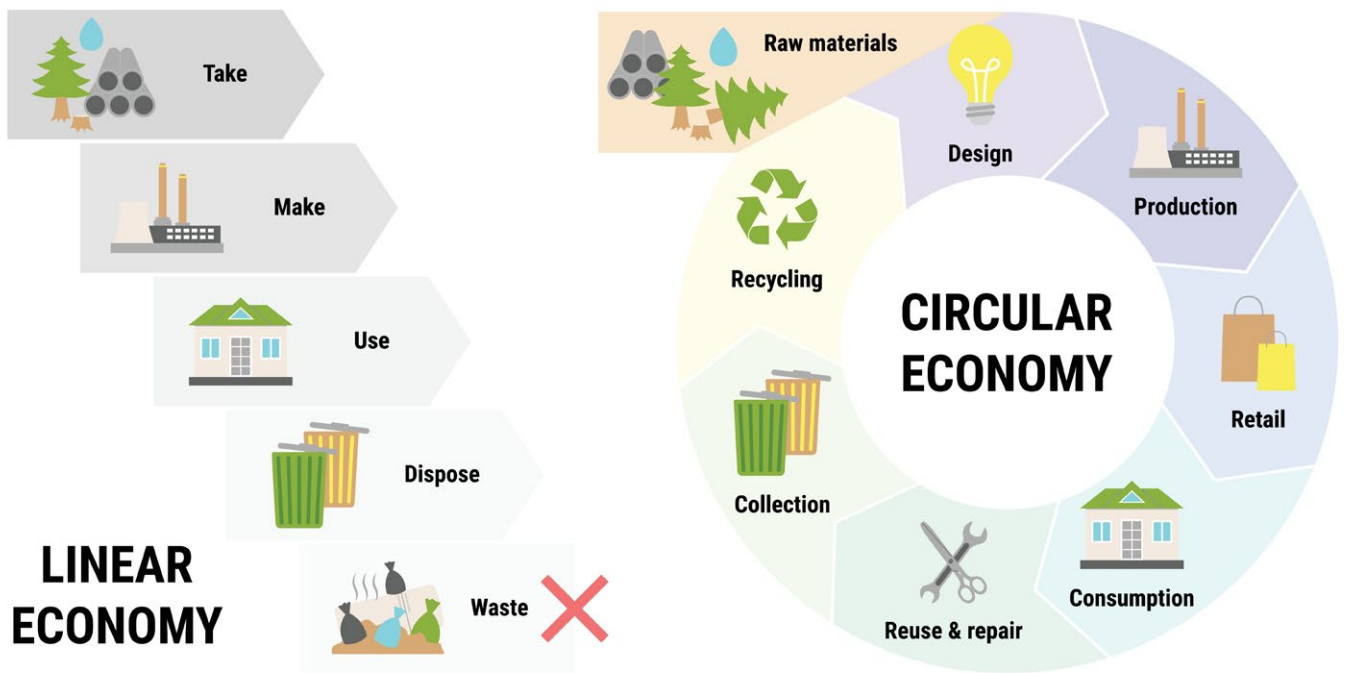
SUOMI
FINLAND



The Africa Circular Economy Facility

The enabler of the circular transition in Africa





The Problems of the linear economic model

Consumer waste and pollution

Increased Carbon Usage

Economic loss due to wastage

Biodiversity loss

Overuse of finite resources



CIRCULAR ECONOMY IS A BILLION-DOLLAR OPPORTUNITY FOR AFRICA

Efficient food systems

Circular economy can help prevent hunger while boosting the economy and protecting the environment. For instance, training farmers in methods such as regenerative agriculture, mixed cropping and intercropping and recovering wastewater for irrigation can help shift production to more climate-smart models. Similarly, converting food waste to organic fertilizer can strengthen biodiversity and increase circularity in food systems. Rethinking agriculture presents a great opportunity for the continent as the sector employs 60% of the Sub-Saharan workforce and comprises nearly a quarter of the continent's GDP.

Plastic and electronic waste valorisation and elimination

Recycling has emerged as a solution to the growing demand for goods with plastic packaging, and it must be scaled to have significant impact and to mitigate the environmental effects. Furthermore, moving away from single-use plastics and designing efficient packaging are ways to eliminate plastic waste at its source. To grapple with these opportunities, new circular-inspired incentives are needed and public-private collaboration is an important success factor. Another category of waste that has a vast potential for valorisation and reuse is electronic waste. Attracting more investment for recycling e-waste will support green job creation and increased value capture.



Low Carbon Infrastructure

As African cities grow, so do emissions. Greenhouse gas emissions in Africa are projected to increase by more than 2.5 times by 2050 driven by large transformations in urbanization, industrialisation and electrification. Abating these emissions is possible through the promotion of low-carbon infrastructure and life cycle approach when designing infrastructure and buildings. Planet-centric designs and using mass timber can reduce waste, conserve forests and manage resource use in African cities that are currently growing at twice the global average.

Sustainable mining

According to the United Nations, the extraction of resources and production accounts for about 50% of global GHG emissions and over 90% impacts on water stress and loss in biodiversity owing to land use. With a shift to the green economy, demand for lithium batteries and cobalt is expected to increase by 16% a year through 2030. Promoting mineral stewardship to responsibly guide the environmental, social and governance aspects of green minerals, together with increasing material reuse and recycling in the minerals and water sectors can provide significant win-win opportunities for investment in nature-based solutions and overall protection of biodiversity.



CIRCULAR ECONOMY AS A DEVELOPMENT STRATEGY FOR AFRICA

Africa is considered the next frontier for global production given its abundant unexploited natural resources, especially in energy and agriculture. Consumer spending is expected to reach \$1.4 trillion by 2020 and triple to \$2.1 trillion by 2025.

By 2030, demand for food in urban areas will triple to \$1 trillion. In addition, 2 billion people will need food and clothing by 2030, not

counting the other goods that we should be making processing, and exporting by then. All this calls for a shift in the production model from the linear “extract-use-dispose” model to a circular “use-reuse-repurpose” one to minimize resource waste. Fostering the circular economy as a development strategy enables African countries to grow their economies without exceeding the planetary boundaries.



CIRCULAR ECONOMY SOLUTIONS FOR AFRICA'S DEVELOPMENT

Integrated Waste Management

- ❑ Plastic Waste Recycling
- ❑ Organic waste to compost & proteins
- ❑ E-waste recovery
- ❑ Biogas Generation

Regenerative agriculture & Food system

- ❑ Regenerative agricultural practices
- ❑ Composting as an alternative to chemical fertilisers
- ❑ Use agriculture waste to provide energy
- ❑ Re-use wastewater for irrigation
- ❑ Post-harvest lost management

Sustainable Built Environment

- ❑ Recovery and use of circular construction materials
- ❑ Wastewater recycling or re-use
- ❑ Energy recovery
- ❑ Integrated waste management
- ❑ Regular maintenance
- ❑ Sustainable mining of minerals

Circular manufacturing

- ❑ Improve product design to maximize durability
- ❑ Refurbishing products
- ❑ Remanufacturing and recycling
- ❑ Recovery of valuable components
- ❑ Circular textile value chains

ACEF'S ROLE IN SUPPORTING CIRCULARITY IN AFRICA

OUR STRATEGIC FOCUS



A three-pronged approach for greater impact

ACEF is a multi-donor trust fund of the African Development Bank with the objective of laying the foundation for the adoption of the circular economy model in Africa.

ACEF is currently funded by the Ministry of Foreign Affairs of Finland and the Nordic Development Fund (NDF). It was approved by the Board of Directors on 30th March, 2022 and officially launched at the Bank's Annual Meetings in May 2022 with an initial capitalization of EUR 4 million. The trust fund is currently mobilizing resources to scale its activities with the aim to accelerate actions towards circular economy across the African continent.

ACEF's strategic focus is aligned with the African Union's Green Recovery Action Plan which lays out the ambition for African countries

to tackle the combined challenges of Covid-19 recovery and climate change. The action plan presents critical actions in priority sectors such as climate finance, renewable energy, nature-based solutions, resilient agriculture and cities, land use and biodiversity.

ACEF is in line with the African Development Bank Group Ten-Year Strategy (TYS 2023-2032) aimed at accelerating Africa's inclusive, green and resilient growth and development. It is also consistent with the different countries' low-emissions development pathways and compatible with the overall climate change mitigation objectives of the Paris Agreement. It is therefore a unique opportunity for many to rebuild green and bounce back stronger.

ACEF provides grant financing for projects on both the continental and national levels through a three-pronged approach:

01

Institutional capacity building for the creation of enabling environments necessary for the circular transition

- ❑ Support the development of National cross-ministerial circular economy roadmaps and strategies. The roadmaps are vital in highlighting the coordinated and interconnected actions that national stakeholders should implement in their transitional journey towards a circular economy.
- ❑ Support to countries to achieve their strategic objectives related to the circular economy strategies.
- ❑ Support strengthening of governmental capacity to design circular economy policy and knowledge generation on the African circular economy ecosystem.
- ❑ Support governments in resource mobilisation for circular economy.

02

Private sector support through business skills development programmes for start-ups & small and medium-sized enterprises (SMEs) in the circular economy

- ❑ Support to implementation of business incubation programmes on circular economy through provision of technical assistance and grants to start-ups
- ❑ Support to proof of concept of the circular economy and showcasing of new circular solutions
- ❑ Advocate and share best practices on circular business models

03

Integration of circular economy by strengthening the African Circular Economy Alliance (ACEA)

- ❑ Support to the ACEA Secretariat and to the ACEA Working Groups in the five thematic areas identified as catalytic for circular economy mainstreaming: Food systems, Packaging, Built environment, Electronics, Fashion and Textiles
- ❑ Coordination of regional stakeholder convenings on circular economy
- ❑ Creation and dissemination of knowledge on circular economy
- ❑ Communication, coordination and advocacy together with stakeholders to showcase benefits of and best practices of the circular transition in Africa

Additional areas of support for the scaled financing and pipeline development

- ❑ Support governments in implementing projects in line with the national circular economy roadmaps
- ❑ Scale up support to circular startups based on the lessons learned implementing the initial ACEF Business Development Programme
- ❑ Develop and deploy financial instruments for growth stage financing for SMEs with circular business models or operating in circular value chains
- ❑ Develop and deploy financial instruments to support circular transition within industries and large enterprises



Capacity building & policy development

Governments



Advocacy and knowledge sharing

African Circular Economy Alliance (ACEA)



Business development support

Start-ups



Growth-stage financing

SMEs



Business transition to circular practices

Industries & large companies

Current state:

- 4 EUR 4 Million initial capitalization
- 2 initial donors: The Government of Finland and the Nordic Development Fund
- 5 years of operation with possibility for extension

ACEF in 2026:

- +15 EUR 20 Million capitalization
- +5 Approximately 7 donors
- +5 extension of the initial 5-year operational period of 2022-2026



ACEF ACTIVITIES 2023

Support to circular economy policy making and peer learning

ACEF supports National Circular Economy Policy Roadmaps and strengthens capacity to design policy that create an enabling environment to circular economy. A multi-country project is implemented to support 4 countries to develop their National Circular Economy Roadmap. Fora and trainings for peer exchange between governments are created.

Support for circular startup ecosystems in Africa

ACEF supports the implementation of business development programmes in circular economy by providing technical assistance to start-ups and small grants to eligible SMEs through financial intermediaries.

Support for creation of a pool of circular economy champions by ACEA

ACEF supports ACEA and its secretariat in creating a pool of circular economy champions and encouraging partnerships and knowledge-sharing on the African continent and beyond. Support is provided for African engagement on global and regional circular economy fora such as the World Circular Economy Forum (WCEF).

PLASTIC ONLY





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