



# 6<sup>th</sup> ANNUAL SUSTAINABLE INCLUSIVE BUSINESS -

## CIRCULAR ECONOMY

**REPORT, 2021** 



On the 7 and 8th of October 2021, Sustainable Inclusive Business organized the 6th Annual Circular Economy Conference on Sustainability and Inclusion. The conference was themed 'KENYA IS TRANSITIONING TO A CIRCULAR ECONOMY.'



During the first day of the conference (7th of October), the **Kenya Plastics Pact** was launched, as the platform to tackle plastic waste and pollution in the country. The Kenya Plastics Pact is an ambitious, collaborative initiative that brings together stakeholders across the plastics value chain to create a sustainable circular economy for plastics. This unique multi stakeholder platform unites the most relevant brands, plastic producers, recyclers, government agencies, civil society organisations and waste pickers representatives, behind common agreed targets in accelerating circular economy for plastics in Kenya.

## KEY INVITED SPEAKERS



Hon. Keriako Tobiko CS, Ministry of Environment and Forestry



HE Mr Maarten Brouwer Netherlands Ambassador to Kenya



Ms. Carole Kariuki CEO, KEPSA



**H.E Henriette Geiger** EU Ambassador to Kenya



Ms. Emily Waita Chair, KEPSA Environment Sector Board



**Ms. Karin Boomsma** Project Director, Sustainable Inclusive Business



**Mr. Naftal Kobags** Entrepreneur & Beneficiary of the COAST Project by SIB-K



Juliani Hip-Hop Artist and Environmentalist



**Ebenezer Amadi** Program Manager, KEPSA-SIB

## KENYA IS TRANSITIONING TO A CIRCULAR ECONOMY

In 2020, we stated that 'Kenya needs to accelerate the adoption of a circular economy. In 2021, the conference focused on how Kenya is transitioning to a circular economy.



#### Opening remarks by Karin Boomsma

In her opening remarks, the Director of Sustainable Inclusive Business, the Knowledge Center under the Kenya Private Sector Alliance (KEPSA) Karin Boomsma stated that circular economy is all about taking action in the opportunity areas. She noted that there are currently regulations put in place to support the circular economy transition, but that the private sector is also taking action towards the journey of creating new systems. "We are at a stage where we need urgent concerted and collective action," she concluded, welcoming the participants to the conference.



#### Book Reading: 2 Scenario's read & presented by Johnson Mwakazi

Johnson Mwakazi on climate

In a dramatized reading from the book, The Future we Choose – written by the designers of the Paris Climate Agreement 2015; Mwakazi created two scenarios to help the conference participants imagine the world we are creating, and the world we must create.

Sharing his thoughts on climate change, he emphasized that "We are going to bring change in our country, continent, and in the world by 2050. To achieve this, we must realize the 'Sustainable development Goal 17' on partnerships for the goals.

## HIGHLIGHTS ON CIRCULAR ECONOMY TRAILBLAZERS

The biggest challenge to sustainability lies in the current linear – take, make, waste economic model and an out-dated energy system. This model is based on cheap materials, cheap labour and cheap energy. Circular Economy brings all different and urgent topics cross-sectoral together in order to drive towards a low-carbon economy and contribute to Sustainable Development Goals. SIB-K supports waste management issues, recycling opportunities, business incubation, provides solutions in designing sustainable alternatives and communicates to raise awareness, educate positively and drive behavioural change. Part of the communication involves the documentation of good practices in circular economy, showcasing the work of our partners and other businesses across Kenya and internationally, who are trailblazers in the innovation of waste management solutions.



One of these trailblazers is Green Pavers, a social entrepreneur <u>converting plastic waste</u> into sustainable building materials.

# THE ROLE OF THE PRIVATE SECTOR



## Vision shared by Mr. Ebenezer Amadi, Program Manager SIB-Kenya KEPSA

"The Private Sector continues to take a leading role in the adoption of a circular economy in the country. As part of the Private Sector apex body, Sustainable Inclusive Business is proud to continue spearheading relevant initiatives that will fasten the shift to a more sustainable economy. For instance, we have unveiled an initiative by sector players that will integrate and align with the existing regulations to achieve set targets, to increase recycling of plastics to 30% by 2030 as envisioned by the Kenya Plastics Action Plan. We wish

to acknowledge our partners over the years, the Netherlands Embassy, the Ellen MacArthur Foundation, Waste Resource Action Program (WRAP), IFCD and various Ministries in Kenya including the Ministry of Environment and Forestry and the Ministry of Water."

## THE ROLE OF THE YOUTH IN DRIVING THE CHANGE



## Shared by Mr. Naftal Kobags, a beneficiary of the Creating Opportunities and Alleviating Poverty through Sustainable Trade (COAST) Project

"A circular economy is a new frontier for job and wealth creation. There exist immense opportunities in the waste management sector that young people need to take advantage of and tap into this newly found gold mine. Among other participants from Mombasa, I participated in the KEPSA training on the waste to value concept and it changed my mindset. Further, it helped us rethink waste as a material that can be re-used to create new products, lessons

we used to establish a recycling business in the Tudor Informal Settlement. With more such initiatives from the private sector, more youth will be well informed and empowered to create sustainable opportunities for themselves, thus increasing sustainable jobs and driving change in our communities."



## GOVERNMENT ACTIONS AND PROGRESS; SUSTAINABLE WASTE MANAGEMENT BILL, EPR, AND RESTORING NATURE



## Dr. Ayub Macharia, Director of Environmental Education and Awareness at the Ministry of Environment and Forestry

"A circular economy means making use of a product until you extract all the value from it. Waste is not separated at source, which makes it difficult to extract value out of the recyclables like plastics, paper, etc. The Sustainable Waste Management Bill thus encourages segregation of waste at source into dry and wet waste. Developing Material Recovery Facilities (MRFs) and composites will improve the recovery of materials and increase job opportunities. These efforts

will further be supplemented by the Extended Producer Responsibility (EPR) Regulations 2021, who's aim is to enhance resource use efficiency, stimulate innovation, spur recycling and reduce the amount of waste destined for final disposal. The purpose of the regulation is that it would alleviate the burden on County Governments and taxpayers for managing end-of life products, reduce the amount of waste destined for final disposal, and increase rates of recycling. It aims to make producers responsible for the environmental impacts of their products throughout the product chain, from design to the post-consumer phase. The government will continue to work closely with the private sector, and together, we will restore nature."



## • Vision Shared by EU Ambassador, H.E Henriette Geiger

"Implementing the green deal implies a massive transition into the green and circular economy. Despite the underlying challenges, it creates large investment, huge job and trade opportunities, and above all dissemination of new technologies in this era of digitization.

A collaborative effort is needed, through the financing of economic actions in the newly developed corporation financial framework 2021-2027."





## THE KENYA PLASTICS PACT LAUNCH

## A Circular Economy for Plastic Packaging

Plastics waste and pollution have captured the attention of businesses, governments, and citizens in Kenya. Today, published data shows that only 8% of plastic is recycled, with the remainder being landfilled or incinerated – or in the worst-case scenario, ending up in the environment (IUCN, 2021). To address this issue at its source, there is a need to fundamentally rethink the way we design, use and reuse plastics, and move to a circular economy that keeps plastics in use and out of the environment.

The highlight of the first day of the conference was the official launch of the Kenya Plastics Pact, to tackle plastic waste and pollution in the country. It is an ambitious, new collaborative initiative, bringing together stakeholders across the plastics value chain to create a circular economy for plastics. This unique multi stakeholder platform unites the most relevant brands, plastic producers, recyclers, government agencies, civil society organisations and waste pickers representatives, behind common targets towards a circular economy for plastics in Kenya.



## WORKSHOPS ON CURRENT CIRCULAR ECONOMY DEVELOPMENT

During the second day, (the 8th of October 2021), a series of workshops were held, focusing on sharing and exchanging ideas on the emerging developments and initiatives that are speeding up the transition to a circular economy in Kenya. Discussions on current circular economy developments identified activities, innovations, collaborations, and policy priorities to support the economy to fully go circular.

## Workshop 1: Visionaries: 'Do We Still Believe in Creativity?

How do we create a new reality, a system that answers to the current challenges? Reports about climate change, inequality, the negative impact of capitalism, and industrialization have been at our disposal for years and the urgency has reached about a max. We can't solve problems with the same thinking as to how we created them. During this workshop, participants had conversations with visionaries, youth and entrepreneurs from across Africa and Europe, on redefining values and creating new systems that lead to a sustainable and inclusive world.

It was agreed that creativity is relevant in imagining new situations. Our current systems are not the best, and it is therefore time for us to create new ones. How does this influence the new reality of circular economy as we move from the unsustainable linear economy models to a circular economy?

## Speakers:

Karin Boomsma - Director - Sustainable Inclusive Business

Dr. Aghan Oscar - CEO - Green Pavers

<u>Andrew Page Wood</u> - Managing Director Tombolo Energy Business

> THE WORLD IS NOT FLAT And one dimensional, and living on earth ISN't either

SUSTAINABLE

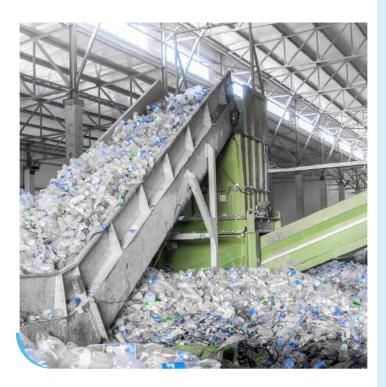




## Workshop 2: Waste Management Solutions: 'The Extended Producer Responsibility & Its Adoption in Kenya?'

Kenya generates an estimated 22,000 tons of waste per day calculated by assuming an average of per capita waste generation of 0.5 kilograms for a current population of 45 million both rural and urban translating to 8 million tons annually. While recycling is relatively low in Kenya, covering approximately 10% of the waste produced, the rate has increased over the last few years.

Most of the waste streams generated are problematic as they pose a threat to the environment and health as well as pose a challenge in recycling or recovery operations. They include; electronic and electric equipment, paints, furniture, oils, glass, tyres, metals, batteries among others. These wastes generate high management costs due to quantities involved, hazards they represent, health risks they pose and costly recovery operations.



Download our EPR Guidelines for Efficient Waste Management here:

The Government of Kenya has at its disposal, various legal and regulatory tools including, among others, Article 42 of constitution of Kenya 2010, Environmental Management and Coordination (Amendment) Act 2015, National Waste Management Policy 2019 and economic instruments (e.g. taxes, levies, and subsidies) to impose and implement waste management requirements. However, the regulatory frameworks are based on linear models and do not have adequate provisions for circular model to waste management. The growing problem of problematic waste in the country, coupled with increased environmental awareness among citizens, is driving the government to consider other innovative legal tools to address the problem with minimal public cost. EPR Regulations 2021 is one such legislation that aims to make producers responsible for the environmental impacts of their products throughout the product chain, from design to the post-consumer phase.

The aim of the EPR Regulations 2021 is to enhance resource use efficiency, stimulate innovation, spur recycling and reduce the amount of waste destined for final disposal. The purpose of the regulation is that it would alleviate the burden on County Governments and taxpayers for managing end-of life products, reduce the amount of waste destined for final disposal, and increase rates of recycling.

It aims to make producers responsible for the environmental impacts of their products throughout the product chain, from design to the post-consumer phase.

The government requires each material stream to set -up a legal entity; a Producer Responsibility Organisations (PROs). Levy is charged based on the volume a business is pushing into the market of a specific material stream. The levies should be used to collect, retrieve and ultimately recycle the materials; consequently, establishing a circular economy.

## Workshop 3: What Is Lost When We Lose Biodiversity?

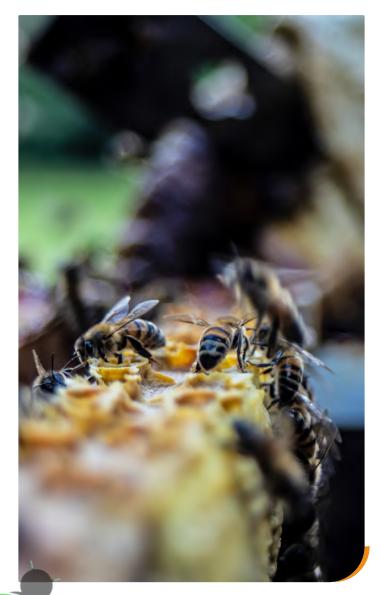
We are all dependent on biodiversity and conservation and preservation of the same is the only option we have. In this workshop, the speakers explained that businesses should include biodiversity in their strategy. They also showed how this can be done.

Sarah Gane of The RockGroup referred to research that indicates that around US\$ 40 trillion of global GDP depends of biodiversity. Agriculture, mining and tourism are obvious examples of sectors that heavily rely on natural resources, but all other industries rely on ecosystems somewhere in their value chains as well. Measuring both the impact businesses have on nature and their dependency on it therefore is crucial, said Ms Gane. She mentioned the Science Bases Targets for climate as an example worth noting.

Joseph Njue of IUCN gave the participants a deep dive into the methodology the organization use to evaluate the options organizations have to contribute to AFR100, the continent-wide initiative to re-green 100 million hectares in Africa.

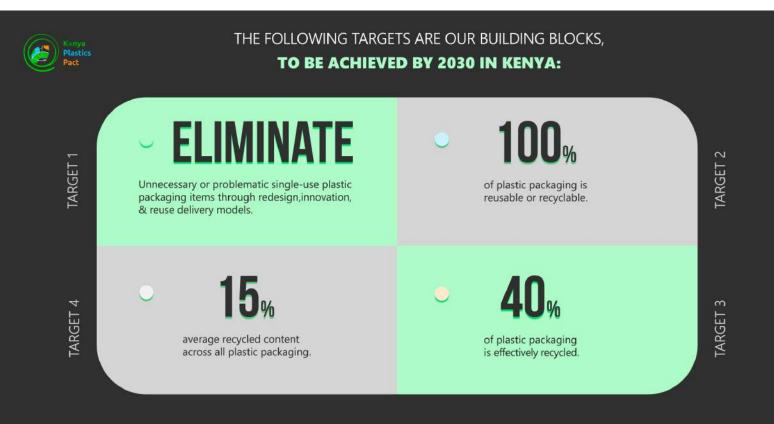
Using the Restoration Opportunities Assessment Methodology (ROAM), IUCN is able to involve not only the private sector in restoration projects, but also to include as many players as possible, even if they have different interests. Mr Njue said he is optimistic about future developments, because the ecological benefits of land restoration are clear.

In his contribution to the workshop, Alex Kubasu of WWF stressed the fact that the conservation of biodiversity is a truly pan-African issue. He showed the participants several relevant projects from across East-Africa that serve as best practice examples for other initiatives. In all those projects, the involvement of local communities was a key success factor, Mr Kubasu said. The workshop was concluded by the prelaunch of the <u>RENATURE</u> Platform by SIB Kenya. The new online platform aims to become the hub for businesses that want to contribute to reforestation and conservation of biodiversity in Kenya.



## Workshop 4: What Is Needed for A Kenya Plastics Pact

All the <u>Kenya Plastics Pact</u> members and supporters signed up to a joint set of ambitious and time-bound targets, ensuring that this collaboration will drive significant change by 2030. Progress will be monitored and publicly reported every year, and collective efforts and targets will speed up the transition.



Taking the participants through the workshop, the Communications Officer at Sustainable Inclusive Business Josephine Wawira, noted that the Kenya Plastics Pact would meet these targets by:



Building a clearly defined roadmap for how the pact members and supporters will collectively reach them.



Co-designing and implementing pioneer and collaborative projects across the country.



Measuring and communicating progress through public annual reporting.



Sharing knowledge, experiences, and learnings with national, regional, and global experts within the Plastics Pact Network.



## Workshop 5: Future of Food, A Change of Diet Can Change Climate'

What we eat, how we produce, and what we waste on the way from farm to fork is not sustainable. Agriculture should use land, water, seeds, and stock in a way that nothing goes to waste, and soil and biodiversity are improving rather than eroded.

This workshop looked at all angles of agriculture and the steps in the chain that change waste into chance, fertilizers, energy, more food and discuss resilient and regenerative agriculture. Smart agriculture should lead to quality, quantity, and a healthy living system around it.



During the workshop, Mr. Willem Lageweg from the Dutch Food Transition Coalition shared elaborate insights on the way to a circular and Inclusive Agri-food System.

The following were the highlights of his presentation:

- Transitioning from a linear to a circular economy requires a change of attitude as well as system change.
- Circular economy holds varied benefits including improved biodiversity, true and fair prices, and fosters equal opportunities.
- Multi-stakeholder engagement is a key to catalysing the transition to a circular economy noting that governments must develop vision and strategies that other stakeholders can fit in.
- Sustainable market transformation shifts in systematic stages comprising; pioneer project and pilots; 1st successful business case in a niche market; critical mass adoption including voluntary standards and; a move to a new normal that is supported by law.
- While the type of diet implies climate change and the environment, there are often hidden costs in the true value of food displayed in shops. This is because there is a lack of consideration to the cost of a contribution to climate change, environmental degradation, and health.





Mr. Daan Vreeburg from Agriterra made an enlightening presentation on developing a lowcarbon coffee value chain in Kericho.

Agriterra is working to improve the situation of coffee farmers in Kenya by; supporting the production of low carbon coffee through upgrading and lowering the carbon footprint of farmers, washing stations, and dry mills; sustainable intensification practices through regenerative agriculture, and implementation of bio solutions and; local value addition and job creation.

## The following were the highlights of his presentation:

- Smallholder farmers have limited impact on the climate but are extremely vulnerable to the impacts of climate change.
- With the ever-changing climate, coffee farmers must urgently move towards a low-carbon resilient agriculture pathway across the value chain.
- It's critical to conduct assessments to understand which sections of the value chain hold more opportunity for enhanced reduction in greenhouse gases emissions.
- Farmers' transition to low carbon practices has resulted in increased incomes.
- The use of organic fertilizers doesn't affect the taste of coffee.
- There is a need to have organic fertilizers certified to enhance adoption.

## Workshop 6: Building Circular Cities, How to Accumulate Positive Impact

Infrastructure, urban planning, architecture and green construction of the future will define the well-being of the people and our natural world.

In his remarks during this workshop, the Managing Director at Dalberg Research Dr. Jasper Grosskurth stated that stakeholders in the construction industry need to rethink building material and the models of construction. Using recycled materials that are affordable, efficient and environmentally friendly for construction, are some of the solutions designed to transform building practices in Kenya and Africa at large.

Funding and implementation of innovative ideas that focus on reduction of carbon emission should be prioritized. There is an urgent call for conversation. Applying a cost to emissions encourages sectors and supply chains to alter behaviour in favour of low carbon choices. Revenue from carbon credit streams should be invested in initiatives that cut down on Green House Gas emissions.

#### **Built Environment**

The characteristics - Economic, Social, Natural Assets



According to Mr. John Kabuye Kalungi of BESIC Group Limited, the cities and communities we are living in today are no longer sustainable. Cities are our future. To thrive, we must design local urban economies that are regenerative waste free.

All stakeholders should come together to drive change in greening the cities. Builders, users, public sector, private sector and government must work closely together to develop policies that will spur sustainable physical planning development. Demand for sustainable cities should push for green construction.

The state of our infrastructure in our cities is currently not sustainable, and we need to adopt green construction models for upcoming cities and communities such as Konza.

#### This model of construction will:

- 1. Reduce water depletion through waste water recycling,
- 2. Enhance waste management,
- 3. Allow for expansion, and
- 4. Dignify sanitation, through good drainage systems.

In her remarks, Ms. Halima Ali of the Water Sector Trust Fund stated that education and awareness is key in developing sustainable green cities. People who have solutions should come out and push for change across the whole value chain. The Government should take lead in public participation through civil awareness.



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The circular economy in Kenya has seen a significant increase in interest over the past few years and is continuing to gain steady momentum. With this surge in popularity, many mention the term 'circular economy' or 'circular principles' without really explaining what they mean.

On the other hand, if the term is defined, the definition widely varies depending on the problems being addressed, the audience or the lens through which the author views the world.

In an effort to define a common language for the circular economy, Circular Economy is undergoing a slow but sure paradigm shift in practice by different stakeholders in key sectors. Considering waste as a resource may even, paradoxically, increase the demand for waste rather than reduce waste volumes in Kenya as regional market leader in East Africa. We believe that an enabling environment that will be established by the implementation of Sustainable Waste Management Bill 2021 and the Extended Producer Responsibility 2021 will go a long way to create a system that accelerates circular economy and the development of platforms that would position Kenya to be thought and conversational leader on circular economy.









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