Building Capacity for Circular Economy Innovation

Digests from the 6-part webinar series
8 February - 5 July 2022

Co-convened by ICLEI Africa, Africa Circular Economy Network and Stellenbosch University LaunchLab as part of the ACE Africa Action and Learning Events, with support from the Embassy of Finland to South Africa through the Fund For Local Cooperation
Background

The vision for more sustainable cities in Africa will not materialise without rethinking and challenging the dominant ways that materials are used and the extractive tendencies prevalent in our societies. Indeed, the transition to a circular economy is no longer negotiable for African cities given the issues around the linear “take-make-waste” model, which prioritises the use of materials and the production of goods at the expense of the productivity and sustainability of our ecosystem. The circular economy model, through the principles and strategies it espouses, not only promotes sustainability-oriented innovation but also seeks to accelerate resource sustainability.

To contribute towards a circularity transition in our cities, the Accelerating Circular Economy Innovation in Africa (ACE Africa) project was initiated to facilitate the creation of an enabling environment for the uptake of circular economy concepts and innovative approaches. It also sought to unlock the potential of the circular economy by supporting and upskilling start-up companies and small businesses that show promising circular economy contributions.

As part of the Action and Learning Series of ACE Africa, the Building Capacity for Circular Economy Innovation Webinar Series was conceptualised in response to the need to build enabling and innovative capacities to assist businesses and cities to tackle challenges and harness opportunities to unlock the growth of the circular economy in African cities. The series addressed the question of how and what is needed to support small businesses and entrepreneurs to innovate for circular systems, products and services. The aim was to create a platform for exploring ideas and perspectives, identifying existing enabling mechanisms and barriers, and to initiate discussions amongst different stakeholders to obtain a rounded, common understanding on what it takes to build the capacity of the private sector to mainstream circularity.

The series was jointly convened by ICLEI Africa, African Circular Economy Network (ACEN), and Stellenbosch University LaunchLab, with the support of the Embassy of Finland in South Africa. The series comprised six ‘episodes’, each of which explored a different need for an entrepreneur-led circular economy transition:

- **Circular supply chain model: Bridging the transition from linear to circular**
- **Designing systems and policy frameworks for circular economy innovation**
- **Leveraging partnerships for circular development**
- **Building the circular human capital: Inspiration starts as early as kindergarten**
- **The flourishing circular entrepreneurial ecosystem: From idea to implementation**
- **Financing for circular innovation: Who de-risks the vision?**

This report presents a summary of proceedings of the sessions. It documents key discussion points, learning and reflections from the participants in the sessions.

**About Accelerating Circular Economy in Africa (ACE Africa)**

It is clear that at present in Africa, the private sector is leading the transition to a circular economy. With the support of the Embassy of Finland in South Africa, the ACE Africa project aims to accelerate circular economy innovation and co-creation in Africa by guiding entrepreneurs and new start-ups through an incubation programme and providing a platform for exposure to, and interaction with, mature circular economy businesses, funders and government officers. Find out more about this programme [here](#).
Summary and reflection

This series presented different capacities that must be considered to drive innovation within the circular economy. To begin with, it is critical to explore the implementation of a lean, predictive, and flexible circular supply chain model for circular economy transition. The first session highlighted the importance of smart processes and technology in implementing the circular supply chain model. For implementation, there is a need to rethink the value of waste and consider it a resource. Life cycle assessment, green procurement and impact mapping are therefore important concepts that must be considered in resource use and generally in transitions towards a circular supply chain model. Consumer behaviour, business models, as well as policy and legislation are important factors that shape the performance and sustainability of the circular supply chain. Related to the latter two factors is the adoption and/or implementation of reverse logistics which focuses on the end of life of products and enables appropriate disposal.

Achieving circular development in Africa also hinges on designing systems and policy frameworks to drive circular economy innovation. This was the focus of the second session which highlighted policy gaps in transitioning to the circular economy. Presently, overarching policies and indicators to guide and support the transition are few and far between. Such needed policies include those on circular procurement and single-use plastics. Addressing this gap must take into consideration the local context, and in particular the opportunities and resources within the local economy. In designing these systems and policy frameworks, it is imperative to purposefully articulate and practice just transitions so as to ensure that opportunities within the circular economy are available and accessible to all. This will require a multisectoral and inclusive approach to policy development.

The session on partnerships for circular development provided different ideas around the importance of collaboration for the circular transition. Partnerships for improving circular business and policy ecosystems are emerging but some gaps are evident. First is the non-alignment of platforms, constituencies and initiatives that are similar, resulting in duplication of efforts. There are tensions in some collaborative approaches to partnering for impact as can be seen in initiatives around voluntary extended producer responsibility (EPR). Although voluntary EPR are quicker to initiate compared to governmental instruments, mechanisms to ensure compliance are often weak, potentially leading to greenwashing or circular washing. Key elements for meaningful and effective collaboration in driving circular economy transitions include communication, learning and sharing of ideas. Developing enabling environments through targeted legislation, incentivising relationships and shared commitment are potential areas for strengthening partnerships for circular development. To achieve circular development in cities, there is a need for an interdisciplinary, multisectoral approach that leverages a broad range of skills and experience, from data collection and analysis, to awareness raising, education, innovation and financing. Further, it is not only important to meet governments where they are in their circularity journey but we must be bold in encouraging cities to take on and/or support circular economy initiatives with transformational potential.

The session on building circular human capital was an appeal to rethink the way circular economy is taught - converting theory and principles into practice and normalising the praxis teaching approach. Building the necessary circular human capital starts at grassroots level, with particular emphasis on training students in transdisciplinary systems thinking and problem-solving. Shifting mindsets and embedding systems thinking in the way in which we formulate solutions can only happen through knowledge co-creation, collaborative problem-solving and scenario analysis as opposed to theoretical and siloed approaches. In addition, it is imperative to train the new generation of learners on how to find knowledge, how to communicate, and how to embed the desire and appreciation for lifelong learning and transdisciplinary approaches (i.e. undertaking useful research with societal actors). Also critical are the issues of justice and equity - contextual, procedural, environmental and intergenerational equity given the importance of ensuring that the opportunities the circular economy offers is accessible to all and perpetually available. These long-term views are not aligned with short-term funding, hence the need to challenge short-termism and move from project thinking to programme...
thinking. Although the session was framed around early learning, the flipside also came to the fore - how do we ensure that we are not only supporting new ways of thinking with children, youths and university students, but upskilling already-trained professionals to welcome new ways of thinking and doing. Circular economy certification might offer some potential in a bid to continue to upskill professionals, but more important is focusing on a mindset shift, particularly of those in decision-making positions across different sectors, scales and levels of government.

The session on the flourishing of circular ecosystems had some success in articulating different approaches adopted by incubators and accelerators in scaling and accelerating circular economy start-ups. Key connections were made between SME development and mentorship. The latter is indeed crucial in helping businesses increase their chances of success. In another vein, the importance of data for the transition from linear to circular, especially for businesses that are in the process of transitioning, was highlighted. While it is important to consider the social impact of a business, equally important is building a profitable business. Hence circular economy start-ups must endeavour to strike a balance between the two goals. Another major takeaway from the session is the importance of collaboration to build a circular entrepreneurial ecosystem, as discussed in previous sessions, and enabling access to funding for start-ups.

The final session on financing for circular innovation brought to the fore the notion that there is no single solution to de-risking circular economy businesses. Presently, the circular economy offers diverse mechanisms for financing, particularly around regenerative and low-carbon initiatives across multiple sectors, although it is mostly focused on grant and agency-based funding. There is a need to not only explore the integration of the circular economy into mainstream financing but to also mainstream circular economy with climate financing. The need to start shifting away from a main focus on perpetual grant funding to other alternatives is becoming increasingly urgent. Strengthening circular economy business models and interrogating the impact investment model, so that businesses can focus on impact while achieving growth, cannot be overemphasised. The importance of building the capacity of circular businesses to leverage financing opportunities was also highlighted. As financing is not intuitive to everyone and many businesses lack the knowledge of how to access funding, the need to develop simplified guides or “dummy” guides on financing circular businesses and innovation has emerged. Finally, the question of whether branding a business as circular is beneficial especially given the challenges this may bring to access funding needs further interrogation.

The overarching objective of the series was to highlight the kinds of capacity that are needed for circular innovation; the different forms of capacity that we need if we really want to transition to a circular economy and to ensure fair, equitable and sustainable development in Africa. The sessions addressed institutional, financial, and even individual technical capacities that are needed. The outcomes could be used by someone who is asking what needs to be put in place if we really want to build the capacity for circular economy innovation on the African continent. A certain component can be strongly considered, while it can be decided to holistically take all components into account.

One of the biggest issues of the circular economy in Africa, and more broadly, sustainability discourse, relates to breaking down boundaries and silos in terms of knowledge creation and uptake, innovation and implementing initiatives. The sessions succeeded in encouraging circular economy enthusiasts and practitioners, as well as wider groups of stakeholders to think and move outside the box, and to understand and embrace the many interlinkages between sectors, resources and initiatives. It has provided a structured approach for people to improve their knowledge around capacities needed for circular economy innovation.

At the end of the journey of understanding and unpacking what capacities are needed for circular innovation, what in summary have we learnt? We have arrived at a critical and interesting phase in which circular economy ideas are coming into fruition in Africa: new partnerships are emerging; circular supply chain management and procurement is gaining traction; incubation and acceleration programmes are increasingly common; circular entrepreneurial ecosystems are developing. Yet all these are not happening at the scale at which they are required. The question, therefore, of how to accelerate this transition still looms large.
Going forward, it is obvious that the possibilities for circular economy transition in Africa are not so much in terms of what we need to do, but how. More specifically, we must collectively ask: How do we address the critical bottlenecks of the circular economy transition? And how do we do this now? The importance of putting in place roadmaps or guidelines, with a view to leveraging the cross-dimensional opportunities, outcomes and impacts of a circular economy transition, cannot therefore be overemphasised. This is a task that we must all commit to in order to accelerate the transition to a circular economy in Africa.
Session 1: Circular Supply Chain Model
- Bridging the Transition from Linear to Circular

8 February 2022 | 14h00-15h15 SAST

The session presented circular global supply chain management trends, key barriers and opportunities to unlock the circular economy value chains. It extrapolated recommendations on how Africa’s circular products can fit into the regional and global value chain.

Speakers:

**Sneha Kumari:** Head of Industry Trends at Circular Supply Chain Network

**Bezawit Eshetu:** Ethiopia Country Representative: ACEN

**Chris Whyte:** Director, ACEN

**Paul Currie:** Associate Director: Urban Systems, ICLEI Africa

**Kelley Rowe:** Co-Founder, AfricaExo and Founder, Stratleve

Panellists for the session included Sneha Kumari (Head of Industry Trends at Circular Supply Chain Network), Chris Whyte (Director, ACEN) and Kelley Rowe (Co-Founder AfricaExo and Founder Stratleve).

Paul Currie (Associate Director: Urban Systems, ICLEI Africa) and Bezawit Eshetu (Ethiopia Country Representative: ACEN) gave the welcome and introductory remarks to set the tone.

Sneha Kumari unpacked aspects of the butterfly diagram in the circular economy, and discussed smart processes as well as the role of technology in enabling us to achieve the circular supply chain model by 2030. Sneha further highlighted the characteristics of the circular supply chain model, noting that the model must be lean, visible, predictive, regional and flexible.

“What are we doing to actually make sure that we are consciously using the materials that we are taking from our planet? And in this process, actually, are we doing anything to give it back?” - Sneha Kumari

Chris Whyte, in his presentation on ‘Transitioning to a Circular Economy where Waste is a Resource’, highlighted the impact of COVID-19 on global supply chain and the need to change our thinking to understand the impacts and outcomes of waste as a resource. He noted that we can no longer afford landfills and continue to ship materials around. Therefore, we need
to maximise the use of local resources available to us. Chris further unpacked the circular economy concept into life cycle assessment, balance of trade, corporate social responsibility, socio-economic upliftment, green procurement, supply chain management, resource efficiency, and impact mapping.

Kelley Rowe presented on ‘Reverse Logistics’. Reverse logistics from a circularity perspective deals with the end of a product’s life cycle, the collection process and appropriate disposal of products. Kelly explored the barriers, opportunities and trade-offs faced across value chains. These include insufficient data and weak value chain visibility versus leveraging data, linear product design versus circular design, technical challenges and issues with manufacture regions versus destination regions, the invisible activities that already exist in the unplanned economy and how could this be unlocked, inefficient and poorly supported collection systems, and insufficient sorting and pre-processing infrastructure.

“There is an incredible amount of actors and people creating livelihood systems in the unplanned economy on the continent, and I often feel that we aren't including them in these conversations” - Kelley Rowe

The webinar also played host to two Mentimeter sessions. The first session asked participants what could drive circular supply chains, and the three most prominent responses from participants were business models, policy and legislation, and consumer behaviour. Participants were asked in the second session which value chains could offer the biggest impact in Africa. The three most popular responses from participants were agriculture, the built environment and manufacturing.

Bezawit Eshetu opened the floor to the participants to ask questions or share their experiences. Responding to a question from the audience about the type of collateral and information that can be shared with businesses while trying to implement certain circularity principles, Chris responded that many corporate organisations do not yet understand the broader system in which they work. He noted the need for deeper interaction with the system in which they conduct their businesses as this will allow them to have a greater impact from an environmental, social and economic perspective. Kelley encouraged businesses not to go on the journey on their own, but to have conversations with key customers.

In terms of practical steps to take to accelerate the involvement of informal markets in the circular economy, there is a need to engage with corporates to help them to understand their supply chain. Industries should focus on bringing waste streams together and create a secondary sourcing material marketplace where industries can share their waste. Kelley reiterated the importance of bringing relevant stakeholders and businesses into the room, talking to them about prototype processes as well as ideas, and testing the ideas and building with them.

The panel noted that bringing the supply base closer improves predictability because there is a better understanding of where the required materials are - one is able to map it, thus reducing lead times and improving customer servicing ability, service levels as well as improved forecasts. The importance of setting up a platform where all points are consolidated to create concrete recommendations was emphasised. There is a need for constant engagement and involvement as a circular economy community going forward.

Paul added that there were to be five more sessions in this series of inputs. The aim is to produce a document that consolidates the lessons learnt, a document targeted at local government, and a document containing useful insights for entrepreneurs running their own business. He further noted that by participating in the post-webinar survey, participants could aid in providing valuable inputs.

The session ended with a vote of thanks by the facilitator.
Session 2: Designing systems and policy frameworks for circular economy innovation

8 March 2022 | 14h00-15h15 SAST

The session highlighted existing and potential policy and legislative frameworks which can serve as a solid foundation to designing circular systems. How can strengthening policies play a role in enabling the growth of circular economy businesses in Africa? How can Africa develop local, regional and national road maps to align with circular road maps and policies in the global arena?

Speakers:

**Cathrine Barth**: Co-Founder, Circular Norway

**Oluwakemi Ajakaiye**: Chapter Lead, ACEN Nigeria

**Venan Sondo**: Lead, Chaint Afrique

**Daniel Adeniyi**: Professional Officer, ICLEI Africa

Panellists for the session included Cathrine Barth (Co-Founder, Circular Norway) and Venan Sondo (Lead, Chaint Afrique).

Daniel Adeniyi (Professional Officer, ICLEI Africa) and Oluwakemi Ajakaiye (Chapter Lead, ACEN Nigeria) gave the welcome and introductory remarks to set the tone.

Cathrine Barth, in her presentation titled ‘Circular City Transition Strategies: Nordic approach to circular transition’ stressed the importance of an ISO standard in achieving circular economic transition. She noted that it is an economic system that uses a systematic approach to maintain a circular flow of resources by regenerating, retaining or adding to their value, while contributing to sustainable development. She highlighted that, globally, the circular economy is only 9% circular, and less than 10% of materials are making it into loops. She emphasised that basic human needs drive consumption of materials and circular change across sectors and value chains. Cathrine unpacked the aspects of the Circular City System and discussed how policies can be designed to accommodate a variety of sectors. She further discussed the circular procurement process as a maturity tool for development and the Circular City Life Manifesto which looked at human-centric and nature-positive city development.

“There is the need for a systemic shift if we really want to … see ourselves meeting the 2030 goals” - Venan Sondo

In his contribution to the session, Venan Sondo noted that Chaint Afrique is an organisation that focuses on enabling Africa’s transition to a circular economy. He emphasised the need for a systematic shift to achieve the 2030 goals and noted that in order for the Sustainable Development Goals (SDGs) to be achieved, the organisation focuses on a 4-policy approach, where sustainable living has to be affordable, available, accessible and aspirational for all. He
noted that money used to address poor sanitation in African countries provided an opportunity that could have been leveraged to accelerate transformational economic growth. He noted that the lack of policy impedes any good work being done. There is no existing underlying policy or indicators that guide and support what needs to be done, thus making it difficult to attract investment and gain traction. While designing policy, it is important to focus on the use of local materials without relying on imported material. He stressed that policy development should focus on a sectoral and inclusive approach in contrast to a siloed approach.

Bezawit Eshetu presented a case study on a Kenyan company recycling plastics into brick. She added that the lesson behind the case study is that if companies are not supported by policies, they might not be accepted in the community and find it difficult to thrive. She further questioned the kind of expertise or policy incentives that allow innovative solutions to be sold in the markets and looked forward to circular economy principles to address them. She noted that implementing policies such as bans without providing alternatives usually does not work.

Oluwakemi Ajakaiye opened the floor to participants to ask questions or share their experiences. Responding to a question from the audience on how to access the circle city scan tool, and whether it includes African countries, Cathrine responded that the tool is accessible, includes African cities, and is for global generic use.

“There is a need to shift from doing less harm to doing not just good, but striving for a regional best circular economy model. And that time is now” - Oluwakemi Ajakaiye

Responding to the question of how higher education and research institutions can achieve sustainable development goals together with the government to make stronger policies, the panel noted that academic institutions are silo based and need to become more holistic in building knowledge, as emphasis is still mostly placed on a linear economy approach. Venan responded that there are a few MBA courses in Ghana that integrate aspects of sustainability in the curriculum. He noted that if academia, industry and governments work together, policy becomes easier to shape.

Panellists also noted that current policies do not look at what works and what does not work. Policies should play a role in identifying what can be done to unlock what is working at the moment. It is also important to have monitoring and evaluation elements in circular economy policies. Policies should be holistic and consider how various facets of the economy interact with each other.

Reflecting on the barriers and bottlenecks that are limiting Africa in policy formulation and resource efficiency, Cathrine responded by focusing on the opportunities and highlighted that scarcity might pose a key enabler for evolving into a circular economy. Venan added that there is a lack of understanding of the opportunities that exist within the circular economy, noting that there are a lot of competent people in Africa that are unable to relate to what is occurring on the ground in terms of how policies are articulated, and the effectiveness of such policies.

The session ended with a vote of thanks by the facilitator.
Session 3: Leveraging Partnerships for Circular Development

5 April 2022 | 14h00-15h15 SAST

Transformation towards a circular economy requires the collective efforts of stakeholders. Establishing strategic partnerships by identifying areas of complementarity for collaboration can maximise impact. Mobilising resources and political commitment for tangible actions are key to overcoming barriers. This session focused on how to forge partnerships and with whom, for a circular economy transition.

Speakers:

Yame Nkgowe: Founder, Sustainable Cities Africa
Brett Cohen: Director, The Green House
Paul Currie: Associate Director, Urban Systems, ICLEI Africa

The third session, titled ‘Leveraging Partnerships for Circular Development’ is one of a six-part series of events titled ‘Building Capacity for Circular Economy Innovation’. The session focused on how to forge partnerships and with whom to achieve circular economy transition. Transformation towards a circular economy requires the collective efforts of stakeholders. Establishing strategic partnerships by identifying areas of complementarity for collaboration can maximise impact. Mobilising resources and political commitment for tangible actions are key to overcoming barriers. The session was held on 5 April 2022, and was co-convened by ICLEI Africa and the African Circular Economy Network as part of the ACE Africa Action and Learning Events.

Panellists for the session included Yame Nkgowe (Founder, Sustainable Cities Africa) and Brett Cohen (Director, The Green House).

Paul Currie (Associate Director: Urban Systems, ICLEI Africa) gave the welcome and introductory remarks to set the tone.

The session began with a zoom shower where participants shared keywords on what it takes to build meaningful partnerships. The predominant responses included network, time, cooperation, and transparency.

“Innovation does not always mean coming up with something new” - Yame Nkgowe

In his contribution to the session, Yame Nkgowe shared his reflection on ‘Partnerships for Circular Development: Lessons from Botswana’. He discussed the importance of contextualising where we are now and where we need to go when thinking about circular economy innovation and capacity, partnership, and ecosystem building. He highlighted the need to distinguish between whether “we want to see change or we want to change.” He reiterated that we all
have a part to play as we are aiming to express the African narrative. He noted that circular economy entities and accelerators emerge out of necessity to identify and unravel issues with circularity in an African context. He further highlighted the importance of building partnerships to contextualise sustainable cities in an African context and to understand it deeper, noting that there is no need to develop ideas on our own; with collaboration we move faster and gain access to deeper networks. To conclude his reflection, Yame added that the African Circular Economy Network is in a state of readiness to develop a circular economy roadmap for Botswana.

Brett Cohen gave a presentation on ‘The Potential of Extended Producer Responsibility (EPR)’. He presented the extended producer responsibility (EPR) as a tool that could be used to help support the circular economy. The policy is designed to make manufacturers accountable for end-of-life impact of products and encourage design for recovery or repurposing. He explored a few policy interventions under EPR which include product take-back, deposits/refund, advanced disposal fees, upstream tax, subsidies, and minimum recycling requirements. He provided examples of EPR policy on the African continent and noted that South Africa and Kenya recently introduced EPR legislation. He noted that EPR requires coordinated action at all levels, including decisions on global standards, national legislation, and on-the-ground action. To conclude his presentation, Brett highlighted opportunities for global collaboration and further provided opportunities for SMEs in relation to EPR and opportunities in the circular economy.

“We must not think of the circular economy completely separately from other kinds of key priority environmental issues” - Brett Cohen

In the panel's reflection on each other's inputs/presentation, Yame noted that Botswana is not in a strong position to implement an instrument such as the EPR, as the country is landlocked and imports everything. It has a low manufacturing base and therefore the ability to influence the design or what goes into a product is limited. In Brett's reflection on Yame's presentation, he noted that voluntary partnerships are indicative that the circular economy is a multifaceted concept. He further highlighted that the combination of building voluntary co-creation opportunities and legislation could help guide the management of certain issues, and ensure that high resource intensity/energy/hazardous materials are managed through a legislative process to close loops.

Paul Currie opened the floor to the participants to ask questions or share their experiences. Responding to a question from the audience on whether enough is happening on awareness raising and infrastructure to support these policies and mechanisms, Brett responded that the product suppliers are responsible for creating awareness, and if the product falls under the EPR legislation, awareness needs to be created on the product's recovery. In some instances, a group of product suppliers pay a producer responsibility organisation (PRO) to be responsible for the implementation of the EPR legislation.

Responding to a question from the audience on what type of knowledge sharing platforms work and the facilitation of these platforms while retaining the contextual perspective of the circular economy, Yame responded that many initiatives exist but it's a matter of getting the attention they deserve. Platforms such as the African Circular Economy Network, the Ellen MacArthur Foundation, and ICLEI Africa are doing great work in terms of knowledge sharing around circular African cities. He further highlighted the issues of how to cluster knowledge sharing and how to partner with large-scale platforms to share local perspective and knowledge as these are critical in leveraging partnerships for circular development.

The session ended with a vote of thanks by the facilitator.
The basic concept of a circular economy is not new in Africa - reuse and recycling of products is common and has been practiced for a long time. But how do we entrench circular thinking in communities and among society so that consumers and potential business owners understand the importance of, appreciate and are able to contribute to circular interventions? What is the role of education, be it in the home, at school, at university or in the workplace, in building the capacity required for a circular economy transition? How early can we start in educating and equipping society to understand the circular economy? The session focused on theoretical and technical skills and capacity that needs to be developed to mainstream circularity in the formal and informal education streams.

Speakers:

**Omar Al-Saleh**: CEI-Certified Circular Economy Specialist, Royal Scientific Society

**Dorchanay Paykhar**: Circular Economy Teaching Expert, African Leadership University

**Christopher Gordon**: Professor, Institute for Environmental and Sanitation Studies University of Ghana

**Daniel Adeniyi**: Professional Officer, ICLEI Africa

Panellists for the session included Omar Al-Saleh (CEI-Certified Circular Economy Specialist, Royal Scientific Society), Dorchanay Paykhar (Circular Economy Teaching Expert, African Leadership University), and Christopher Gordon (Professor, Institute for Environmental and Sanitation Studies, University of Ghana).

Daniel Adeniyi (Professional Officer, ICLEI Africa) gave the welcome and introductory remarks to set the tone for the discussion.

The session began with a zoom shower where participants shared keywords on where they access circular economy knowledge or skills. The predominant responses included networks, internet, and research.

"Instill in the students how to find information and knowledge, how to analyse and critically assess that information, and very importantly the ability to communicate what they have found" - Christopher Gordon

Omar Al-Saleh, in his presentation ‘The Circular Economy Institute’, provided a brief overview of the linear economy with its inherent issues and presented the circular economy as an alternative. He provided insight into the Circular Economy Institute (CEI) and noted that it offers a global certification programme for circular skills. He introduced the Circular Economy Club as the non-profit arm of the CEI, noting that it assists those that are unable to establish a
circular economy movement. He further highlighted the importance of cities to enable circular transition through infrastructure development.

Dorchanay Paykhar provided an overview of a circular economy programme the African Leadership University is running in collaboration with the Ellen MacArthur and MAVA foundations. The programme focuses specifically on 21st-century skills including necessary soft and technical skills. She noted that the university is in a privileged position due to the enrolment of top-performing students. She highlighted that although students have the necessary skills, the ventures they pursue are related predominantly to waste management. She further highlighted the need for digital technology to be adapted and included in both the programmes and student ventures.

“Design and digital technology need to be adapted and included more in both the educational programs that we’re running and also from what the students are starting up with their ventures” - Dorchanay Paychar

In his contribution to the session, Professor Christopher Gordon shared his perspective on how academic training can move beyond creating thinkers and assist in creating doers and actors who will contribute to society. He highlighted that universities need to help students unlearn some of the things they have learnt before. There is the need for students to have a mindset shift, to be flexible, open-minded and feel comfortable in an environment where they can challenge their lecturers.

The session concluded with a discussion, where panellists were asked to reflect on specific questions. Some reflections included:

Highlighting the linkages between business entrepreneurship and the offerings of the Circular Economy Club, particularly what entrepreneurs stand to benefit or learn if they join the club or enrol for certification. Omar noted that most global-scale projects have an acceleration programme that involves incubators and entrepreneurs. When entrepreneurs receive the certificate or foster a circular economy club, they gain the know-how, the knowledge, the design concepts, and the principles that set their foundation towards circularity.

Responding to a question whether students that enrol in ALU already have the mindset shift or whether it is something that the university educates them on, Dorchanay highlighted that many students already have the correct mindset; they have already identified the need for changing the system. However, the students lack relevant skills including critical thinking and systems thinking, which on a large scale are not well represented on the continent.

Responding to a question on how to empower those that have decision-making powers, but do not have the necessary skills or the mindset shift to start initiating this change, Christopher suggested that there is a need to train older professionals and address some of their deficiencies and outlook. They might not agree with some of the approaches because they have been doing it for years, but they need to understand and embrace the fact that the world is evolving and the way we do things is and should respond to global and local changes.

The session concluded with a vote of thanks by the facilitator.
A major difference between the green economy and the circular economy is that the latter focuses on designing out waste rather than treating the end of pipeline waste by introducing cleaner production and resource efficiency mechanisms along the production process. The circular economy is an economy that is restorative and regenerative by intention and design, with emphasis on the end-of-life of materials and products. It also addresses the issues of sustainability from the systems level. For circular entrepreneurs, it is important not only to pay attention to ‘designing’ better, but also to think through implementation to generate positive environmental, social and economic impacts. The session focused on how young entrepreneurs can conceptualise their circular ideas, design and prototype innovative products, and how ecosystem service providers can provide the platform to support the implementation of ideas and contribute to the success of these businesses.

Speakers:

- **Felista Aku**: Partnerships Manager, AfriLabs
- **Duval Van Zijl**: Climate Lab Director, SU LaunchLab
- **Grant Prince**: Head of SME portfolio, Fetola
- **Ridhwana Shaik**: Design Thinker/Sustainability Consultant

Panellists for the session included Felista Aku (Partnerships Manager, AfriLabs), Grant Prince (Head of SME Portfolio, Fetola) and Duval Van Zijl (Climate Lab Director, SU LaunchLab).

Daniel Adeniyi (Professional Officer, ICLEI Africa) welcomed all participants and Ridhwana Shaik (Design Thinker/Sustainability Consultant), the moderator for the session, provided an overview of the session.

Panellists were asked to reflect on the relevance of incubators in stimulating and strengthening the circular entrepreneurial ecosystem. Some reflections included:

- Incubators and accelerators help businesses increase their probability of success, by assisting them with storytelling and helping them acquire funding to kick start their businesses;
- Incubators and accelerators play a role in facilitating introductions and networks, bringing different people together and raising awareness; and
- Incubators serve as a valuable support network and increase the accessibility of resources to entrepreneurs.

7 June 2022 | 14h00-15h15 SAST
Reflecting on how their organisations achieve or contribute to circular entrepreneurship education, panellists voiced similar approaches. Incubator and accelerator programmes focus on business growth, which cover topics such as value proposition, intellectual property protection, fundraising, business model canvas, and the development of mission, vision, and values amongst others. Panellists noted that, in order to grow circular businesses, there is a need to take deliberate steps to integrate sustainability into the incubator and accelerator programmes as part of the content and curriculum of capacity-building programmes. They stressed the importance of assisting businesses to measure circularity within their businesses.

Panellists were asked to highlight the top challenges experienced by circular or sustainability entrepreneurs with whom they work, and possible solutions for these challenges.

Grant highlighted the challenges of three groups: businesses that create new technologies experience challenges related to capital, certification, and the ability to scale; traditional waste businesses experience challenges related to cash flow, financial management, and a lack of human resources; and more matured circular businesses experience challenges related to securing the correct raw material inputs.

“... incubators [should] act as facilitators in bringing resources closer to the entrepreneurs, be it on the access to skills, finance or market side. So, really allocating the right resources at the right time” - Grant Prince

Felista noted that advanced entrepreneurs and start-ups experience a mental shift challenge. There is a need to shift their thinking away from operating their business using the linear model to a more environmentally conscious mindset. Entrepreneurs are negatively impacted by policies that do not support circular interventions. The government needs to create an enabling environment to support these practices.

Duval highlighted that start-ups in the circular economy from a storytelling perspective rely too much on being circular and forget that they need to sell a product that clients want, and noted that businesses need to focus on their unique value proposition. Early-stage businesses struggle to measure their circularity metrics, thus they need the discipline to measure at an early stage and to understand the importance of it.

Panellists were asked what they think the role of government is or how the government can assist in fostering a circular entrepreneurial ecosystem. Felista stressed the need to safeguard and protect start-ups. She highlighted that governments should provide support in relation to policy, but should not generate policy alone, and noted the importance of collaborative policymaking. Grant proposed that governments should invest in knowledge resources and distribute them to create awareness on circular economy opportunities. He highlighted that governments need to reduce red tape for businesses to operate.

“The government has to ultimately create an enabling environment that supports these ideas of reusability, this idea of recycling” - Felista Aku

In responding to the question of how accessible circular economy funding is, panellists highlighted that investors are beginning to invest in the circular economy space a lot more, however, the term circular economy is still narrowly defined and mainly focuses on waste. Panellists noted that investment is still required, as funding gaps are still experienced across the business life cycle (from design to scaling). Panellists noted that funding initiatives exist in the form of grant funding and competitions and provided channels for existing circular economy funding. These include Stellar Foundation, Fetola's SME fund and Catalytic Africa, a fund that matches start-up investments. The Africa Circular Economy Facility (ACEF) would also provide opportunities for funding in the near future.

The session concluded with a vote of thanks by the facilitator.
Financing new ideas and products is risky. Unless backed by credible research and development findings, feasible business models, and profit margins, marketing circular products might require extra effort to get consumer buy-in. The issue of directing mainstream finance towards innovative circular economy approaches in Africa is about the complications in due diligence and risk mitigation regarding financing “unknown” systems or outcomes. There are a multitude of proven scaled applications in many sectors of the circular economy that rarely see the light of day because of financing difficulties. The questions which the session interrogated, therefore, are how do we de-risk these opportunities in the financial sector that would unlock sustainable financing for future development? Which stakeholders would be interested and capable of de-risking the cost of production and why? How do we bring the knowledge and opportunities in the circular economy into capacity building and training for decision-makers in financing? And last but not least, how can SMEs access these financial resources?

Session 6: Financing for circular innovation: who de-risks the vision?

Speakers:

Chris Whyte: Director, ACEN and Circular Economy Strategist

Jokudu Guya: Professional Officer, ICLEI Africa

Wassa Cisse: Investment Analyst, Bestseller Foundation

Chris Whyte (Director ACEN and Circular Economy Strategist) framed the discussion with an introduction around what is occurring globally as the majority of funding is going into climate finance. He noted that post-COP26, there has been an alignment from a finance perspective looking at specific issues around the International Financial Regulations Systems (IFRS) and the International Sustainability Standards Board (ISSB). He highlighted the need for a realistic and transparent environmental social and governance (ESG) reporting mechanism in order to achieve the requirements and goals of the climate pact. Chris noted that the circular economy offers multiple applications for financing specifically around low-carbon and regenerative transition across multiple sectors, however, it is predominantly focused on grant and agency-type funding. The circular economy is relatively unknown in certain spheres, hence the need to consider mainstream applications for financing as opposed to a narrow focus on the circular economy. Mainstream applications provide an opportunity to attract regular finance for the circular economy through banks and conventional financing. Chris further noted that in order to ensure a transformative, inclusive growth and a sustainable future for all, a just transition is required.

Wassa Cisse, Investment Analyst at Bestseller Foundation shared Bestseller’s approach to financing circular economy businesses and projects and noted that the organisation wants
to be known as the “go-to” investor in the circular economy space. Wassa noted that there are several challenges to overcome before thinking about the type of investment, capacity building or support to provide to businesses. It is important to understand the development phase of businesses in the circular economy space as there are many factors involved for small businesses to grow. These include high investment cost, understanding the business model, adequate infrastructure, and a lack of flexibility with regards to the financial instruments that are used in the ecosystem, among others.

“A just transition is making sure we get transformative and inclusive growth and development around making sure that we have a sustainable future for all of us” - Chris Whyte

Bestseller’s main strategy is to provide funding and additional support through partnership and collaboration, which include working together to provide greater catalytic support along the value chain. The foundation has three facilities including a seed fund, scale-up, and start-up investments. Wassa noted that in addition to being facilitators, Bestseller does invest on their own. One of their main goals is to build the largest pipeline of circular economy businesses. She highlighted that banks are one of the main players to consider and it is important that they understand what circular economy or climate finance is in order to provide initiatives targeted at circular economy or green programmes.

In responding to a question from the audience with regards to the three key things that small businesses should prioritise that can improve their chances of accessing funding, Wassa stated that firstly businesses need to have skills in business development, project management, and financial management, and need to understand how to make a business grow. Secondly, businesses need to understand their data, indicators and how to collect them in order to monitor the impact or value they are creating. Thirdly, businesses need to be aware of issues occurring within the ecosystem, with other initiatives within the private sector, because they will encounter such challenges at some point and will need to be prepared to address it.

“...[It is] essential to try to understand the pain points of the businesses in the circular economy that we face on a daily basis” - Wassa Cisse

In responding to a question from the audience about the need to tag businesses as ‘circular’ because it can be seen as discrimination and could be the main barrier to accessing funding, Wassa responded that tagging businesses as circular could limit themselves and investors. However, many companies that work within the circular economy space do not tag themselves as circular and are not aware that what they are doing is circular. She noted the importance of understanding that overall, the circular economy is still a concept that can be implemented in any sector or industry. For businesses who do not brand themselves as circular, but whose work is circular, branding themselves as circular is what they can leverage when raising funds. A circular economy business refers to businesses that are looking at reducing, reusing and utilising resources more efficiently throughout their value chain.

The session concluded with a vote of thanks by the facilitator.