



# LEVERAGING ECO-INCLUSIVE ENTREPRENEURSHIP FOR LOCALISED DEVELOPMENT SOLUTIONS

Policy Brief, Malawi 2019





# Leveraging eco-inclusive entrepreneurship for localised development solutions in Southern Africa

*In a global context of commitments to sustainable development and the mitigation of and adaptation to climate change, Malawi has set out ambitious agendas to increase resilience to climate change and move towards a green and inclusive economy. Translating these ambitious agendas into impact at the community level requires concerted efforts in the decentralisation of policy initiatives and capacity building of local actors. SMMEs play a key role in aligning local markets to national development goals, and can have a transformational impact on the achievement of these goals. Drawing on discussions from the SEED National Dialogue Forum and SEED Practitioner Labs Policy Prototyping in Malawi, this policy brief presents recommendations to policy makers for leveraging the potential of SMMEs to transform the agriculture, waste, and clean energy sectors in Malawi, and across Southern Africa.*

- **Localise solutions** by aligning national and global commitments to decentralised governance approaches that promote community-based solutions driven by small and growing eco-inclusive enterprises.
- **Build the capacity of SMEs** by delivering targeted policy instruments to ensure that enterprises are well-equipped to scale their impacts.
- **Replicate policy initiatives** across Southern African with countries such as Zambia and Zimbabwe in priority sectors.

## CLIMATE ACTION AND SUSTAINABLE DEVELOPMENT AS POLICY PRIORITIES IN SOUTHERN AFRICA

Malawi has made important commitments to the implementation of the Sustainable Development Goals and the Paris Agreement for climate action as illustrated in national policy frameworks, for example through the Malawi Vision 2020 and intended Nationally Determined Contribution. These commitments build on recent gains in youth and women empowerment, investment in sustainable agriculture, and improved road and telecommunication infrastructure to further drive sustainable development and climate action.

Despite recent macroeconomic stability, the Malawian economy remains vulnerable to external shocks through its dependence on rain-fed agriculture. Emergent challenges such as climate change increase the risk of these external shocks, and hold the potential to disrupt prior development efforts, highlighting the urgency to build more resilient communities and economies. The challenge remains of how to effectively implement current policy commitments through localised solutions that meet the climate change adaptation and development needs of Southern Africa's most marginalised populations, in particular rural households, women and youth.

Malawi's sustainable development goals are not only aligned to the global sustainable goals but also the SADC development goals as spelt out in articles 5 of the SADC Treaty (1992) which amongst others include achieving sustainable utilisation of natural resources and effective protection of the environment, advancing development and economic growth, alleviating poverty, enhancing the standard and quality of life of the people of Southern Africa and supporting the socially disadvantaged through regional integration. Alignment to these goals sets the foundation for replication of innovative initiatives to achieve these objectives across SADC countries.

Eco-inclusive enterprises can be leveraged as drivers of climate change adaptation, mitigation, resilience and sustainable development in local communities. They offer innovative products and services for climate change adaptation and mitigation that respond to community needs, and incorporate marginalised populations into their value chains as consumers, suppliers and employees. Improvements in the business environment such as the setup of the Malawi Investment and Trade Centre to facilitate business registration and investment has increased the ability of enterprises to drive change. Continued leadership from the public sector is required to facilitate growth of markets for eco-inclusive enterprises, and to support them to deliver market-driven solutions across the region.





**Enterprise Spotlight: Fostering sustainable and inclusive fish production - Chonona Aquaculture, Malawi.** 2016 SEED Award Winner Chonona produces and markets diverse fish products from their aquaculture farm, such as table size fish for direct consumption and fingerlings (young fish) for production. The enterprise builds on strong community involvement and local business relations by locally sourcing farm inputs. The company also provides its local partners with training on aquaculture production. Chonona promotes sustainable fish farming practices by integrating livestock and horticulture into its production cycle. The business increases food security, elevates the income of smallholder fish farmers, and reduces pressure on the natural fish stocks in Lake Malawi.

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## LEVERAGING SMMEs AS DRIVERS OF AN INCLUSIVE AND CLIMATE-SMART ECONOMY

SMMEs are well placed to address some of the development challenges present in Malawi. Attractive jobs and business development opportunities for Malawi's young population are lacking, while youth unemployment is fair-

ly high at 7.2%<sup>1</sup>. Promotion of small business development and growth increases opportunities for self-employment as well as employment opportunities within existing SMEs.

Malawi is estimated to have about 760,000 small business owners, with SMEs accounting for 38% of the country's working age labour force<sup>2</sup>. In reality, a few large companies still dominate the economy, and small businesses typically remain in the informal sector. While most SMEs are linked to the agriculture sector, approximately 23% are involved in general trading and vending<sup>3</sup>.

These small enterprises are an integral part of the communities in which they work, and often include marginalised groups as suppliers, employees, and customers along their value chain. This addresses inequalities between urban and rural areas, youth and women employment, and historically disadvantaged areas. Gender inequality, in particular, remains high in Malawi. Women are poorly represented in political, economic and educational spheres and women-headed households are disadvantaged in terms of access to credit and agricultural land<sup>4</sup>. Promotion of inclusive small and growing enterprises with a particular emphasis on women-led enterprises has the opportunity to translate into increased representation of women in the economy and increased financial inclu-

The Southern African Development Community (SADC) promotes regional integration and addressing issues across its member countries. In the promotion of the private sector, these issues include agriculture and food security, employment, and women entrepreneurship<sup>5</sup>. In addition SADC initiatives such as the SADC Renewable Energy Entrepreneurship Support Facility drives investment in key focus areas. Entrepreneurship across the Southern Africa remains an important driver to achieve the goals. In Zambia, SMEs represent 97% of the private sector, contribute 70% to GDP, and provide 88% of jobs<sup>6</sup>. In Zimbabwe, SMEs account for 50% of Zimbabwe's GDP, provide 60% of all jobs and represent 70% of all businesses<sup>7</sup>. While definitions of SMEs vary from country to country, the importance of SMMEs in driving inclusive and climate-smart economic growth is evident.

[1] Mussa, Richard 2016: *Labour market transitions of young women and men in Malawi Results of the 2014 school-to-work transition survey. A study behalf Work4Youth publication series.* Geneva: ILO.

[2] Finmark Trust 2012: *FinScope MSME Survey Malawi 2012. A study prepared on behalf of Finmark Trus and National Statistics Malawi.* Lilongwe: Ministry of Industry and Trade of the Republic of Malawi.

[3] Ibid

[4] Oluoch-Olunya, Simone Ellis; Florence Butegwa, Jack Abebe-Knowledge and Martha Wanjala 2016: *Women and Sustainable Development Goals. A study prepared on behalf of UN Women Eastern and Southern Africa Regional Office.* Nairobi: UN Women.

[5] Southern African Development Community (n.d.): *Economic Development. Private Sector.* Retrieved 15.10.2019 from <https://www.sadc.int/themes/economic-development/private-sector/>

[6] International Trade Agency 2019: *Promoting SME competitiveness in Zambia. A study on behalf of Zambia Development Agency.* Lusaka: Ministry of Commerce, Trade and Industry of the Republic of Zambia.

[7] Tome, Michael 2019: *Zimbabwe: SMEs Urged to Formalise Business* Retrieved 15.10.2019 from <https://allafrica.com/stories/201908080180.html>

SMMEs operating in climate change mitigation and adaptation activities are also driving the transition to a green economy. The effects of climate change have the potential to disrupt existing efforts to break the cycle of multidimensional poverty and hinder action to build more resilient communities. SMMEs who engage in developing innovative climate-smart products and services are able to support the promotion of adaptation measures, risk identification and mitigation, and resilience building amongst locals, thus contribute to reducing poverty levels, improve gender equality, and achieve socially inclusive and environmentally sustainable economic growth.



**Enterprise Spotlight: Increasing community resilience through locally-adapted agriculture techniques - Precious Life Foundation Zimbabwe.** Precious Life Foundation's Outgrower Project teaches bio-intensive organic agricultural techniques to women, who pass on their knowledge to the community. Supported by a SEED Award in 2014, Precious Life encourages the community to adapt sustainable farming methods suited for the region like bio-intensive potato sack production, and to address desertification of the Siphezini area. The enterprise support self-sufficiency of the community, reducing their vulnerability to food insecurity and economic shocks.

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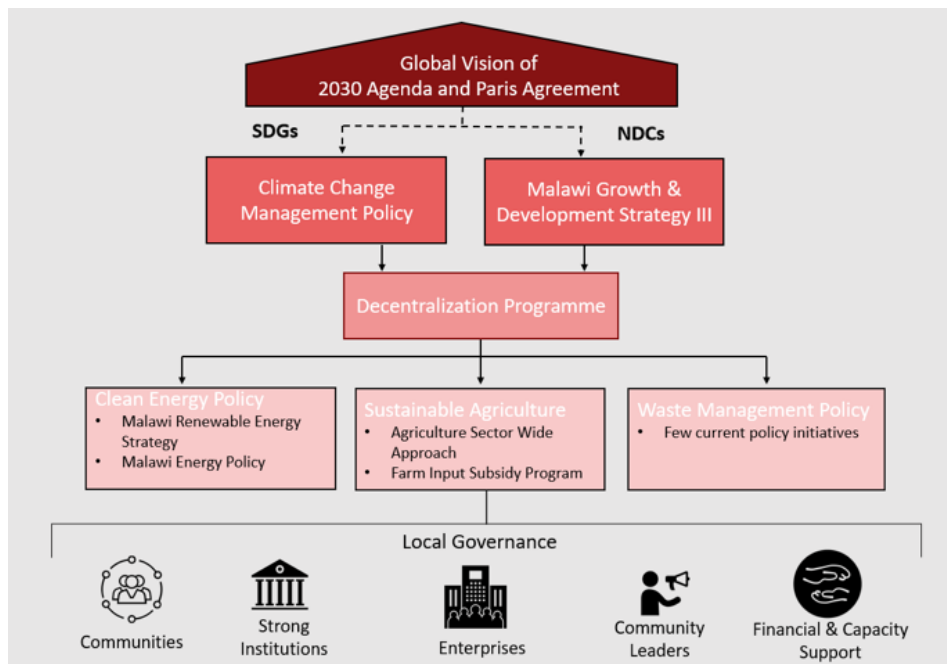
## LEVERAGING POLICY OPPORTUNITIES FOR ENTERPRISE SUPPORT

The Malawian government has strong policy frameworks for sustainable development and climate action. The policy frameworks align the objectives of the Sustainable Development Goals and the Paris Agreement to national priorities in sustainable growth. Next year, as Malawi's Vision 2020 expires, the opportunity to realign policy frameworks with climate-smart and inclusive growth objectives, as well as to identify drivers of the implementation of these goals is an opportunity to leverage the current and potential contributions of SMMEs.

Currently, existing frameworks highlight the importance of climate mitigation and adaptation in multiple sectors, including agriculture and clean energy. The **Malawi Growth and Development Strategy III** (MGDS 2017-2022) is the current key instrument for implementation of the SDG and Paris Agreement Goals, and operationalises the Vision 2020. Agriculture, water development and climate change feature as key priority areas, as does energy. The **National Climate Change Management Policy** (NCCMP) aims to guide and coordinate its implementation of these goals through climate change mitigation and adaptation; capacity building, education, training and awareness; and climate change financing, among other activities.

The transition to achieving commitments laid out in the SDGs, NDC, and national frameworks will require enhanced coordination and evidence-informed planning and implementation on sub-national level. The **Institutional Coordination Framework for Climate Change** calls for coordination among the levels of government, embracing district and local levels of governments. Effective decentralization, by integrating local governance actors (district executive committees, area development committees (ADCs) and village development committees (VDCs)) into the implementation of these plans, is a government priority and will impact the effectiveness of the on ground implementation of the development goals. While there is a **National Decentralization Programme** in place since 1998, implementation capacities of sub-national actors (district, urban and rural councils) remains low and monitoring systems continue to be weak<sup>8</sup>. Efforts to involve ADCs and VDCs through the Participatory Development Methodology (PDM) continue, with further investments into the Constituency Development Fund and District Development Fund, and councillors at the district to review and approve priority projects.

[8] Office of the Government of Malawi and United Nation 2019: *The United Nations Development Assistance Framework. Malawi 2019-2023*. Lilongwe: United Nation Regional Office Malawi.



Visual: Policy landscape tree from global, national, subnational themes & commitments

### AN OPPORTUNITY FOR FURTHER POLICY INTERVENTION

As Malawi’s Vision 2063 is being developed and the next round of NDCs are expected to be submitted to the UNFCCC, multiple opportunities exist to ensure that eco-inclusive entrepreneurship promotion features in Malawi’s development objectives and implementation strategies for climate change adaptation and mitigation. Policy action is required to ensure that small and growing enterprises receive the support they need to contribute to environmentally sustainable and socially inclusive development at a local level in Malawi and the region. Government support for eco-inclusive entrepreneurship will ensure that Malawi effectively translates high-level NDC and sustainable development commitments to community level impact and resilience through supporting SMEs at the base of the pyramid, developing climate-smart and socially inclusive value chains at a local level. Discussions from the SEED Practitioner Labs for Policy Prototyping (PLPP) identified several opportunities for policy action, including:

- **Localising solutions by aligning national and global commitments to decentralised governance approaches** that translate sustainable development and climate change adaptation commitments to community-based solutions driven by small and growing eco-inclusive enterprises, thereby reaching Malawi’s most marginalised and vulnerable populations.
- **Building capacity of SMEs by delivering targeted policy instruments** to ensure that enterprises are well-equipped to scale their environmental, social and economic impacts and to significantly contribute to NDCs and the achievement of Malawi’s sus-

tainable development vision. This could include providing investment for research and development of eco-innovations, supporting platforms and networks that promote the replication of business models, and supplying enterprises with trainings to ensure the quality of their products and to improve their business and technical skills.

- **Replication of policy initiatives supporting enterprises in Malawi to and from other Southern African countries such as Zambia and Zimbabwe.** Insights from the SEED Practitioner Labs in Malawi could be adapted and replicated in Zambia and Zimbabwe, especially in priority sectors such as sustainable agriculture, waste management, and clean energy. These can be aligned to SADC goals and contribute further to regional coordination for sustainable development.

**SEED Practitioner Labs for Policy Prototyping (PLPP).** Over a multi-stage labs process, the SEED Practitioner Labs cultivate an ecosystem of actors and instruments to support environmentally sustainable and socially inclusive enterprises. The solutions co-created by policy makers, intermediaries and eco-inclusive enterprises during the labs process address some of the major policy challenges faced by small and growing enterprises while mobilising a community of public, private and financial sector actors around eco-inclusive enterprises in the transition to green and inclusive economies in Malawi, Southern Africa, and beyond.

## Sector Spotlight: Climate-smart entrepreneurial approaches for sustainable agriculture

The improvement of agricultural productivity and agri-business is a priority for policy makers. The agriculture sector holds immense potential to transform the economy and drive climate resilience, as more than 80% of the population rely on subsistence agriculture<sup>9</sup>. The agriculture sector in Malawi is currently divided between a few, mostly foreign-owned estates and smallholder farmers that have low productivity due to degenerated soil, and are largely unconnected to agricultural markets<sup>10</sup>. The sector is significantly impacted by changing weather events, which can destroy expected returns from harvest and trap farmers and households in cycles of poverty. This vulnerability is exacerbated by a reliance on rain-fed agriculture. Current practices also contribute significantly to Malawi's GHG emissions, with the agriculture, forestry and other land use (AFOLU) sector contributing 78%<sup>11</sup>.

Efforts to address the vulnerability of the agriculture sector to climate risks, and to boost the productivity of the sector include the **Farm Input Subsidy Program (FISP)** and are outlined in the Agriculture Sector Wide Approach<sup>12</sup>. The National Agriculture Plan has been developing the National Agricultural Policy to refocus smallholder subsistence farming towards commercial approaches to help sustain growth in the agriculture sector with support from the World Bank. An increasing focus on building sector resilience to climate change is outlined in the **National Climate Smart Agriculture Framework (NCSAF) 2018**, and relies on strong coordination among actors in the sector.

### ECO-INCLUSIVE ENTREPRENEURSHIP INNOVATION OPPORTUNITIES

Eco-inclusive enterprises in the agriculture sector increase community awareness of adaptation efforts to climate change, and spread best practices that leverage local sustainable agricultural techniques and support the identification of risk mitigation methods. They can further encourage the use of organic farming to reduce soil degradation. Coordination across actors for climate-smart agriculture should therefore include these enterprises, and leverage their connections to the communities to drive change in the sector.

**Enterprise Spotlight: Supporting food security with effective organic fertiliser - Black Gold Farm Manure, Malawi.** 2015 SEED Africa Award winner Black Gold Farm Manure is helping to improve food security and increase farmers' income in Malawi by stimulating them to produce, apply and sell a natural organic fertiliser that generates better harvests. Black Gold Farm Manure uses local resources such as chicken manure and organic farm residues to produce natural fertiliser via composting. The initiative trains women employed in their farm as well as local farmers in the manufacture of the product, which is then sold by the enterprise throughout Malawi. Farmers ensure better yields by using the natural fertiliser. They also benefit from the enterprise's village banking groups that assist them in purchasing chicken and train them on environmental conservation.

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**Enterprise Spotlight: Supporting healthy eating, local farming communities and the environment - Chaca Rice Processing Initiative, Zambia.** The Chaca Rice Processing Initiative works with local farmers and women, in particular, to produce, process and add value to rice and rice by-products, while promoting climate-smart agricultural practices. A finalist for the 2019 SEED Africa Award, the company uses sustainable processing techniques to process rice and produces rice husk charcoal for rural and urban consumers thereby focusing on creating a market for smallholder rice farmers while creating additional revenue streams from otherwise wasted by-products. By providing an alternative to conventional charcoal, the enterprise contribute to combating deforestation. The company has a component on women empowerment and contributes to rural household income and poverty reduction.

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[9] Record, Richard; Kumar Praveen and Priscilla Kandoole 2017: *From Falling Behind to Catching Up. A Country Economic Memorandum for Malawi. A Study prepared on behalf of the World Bank. Washington, D.C.*

[10] International Center for Tropical Agriculture (CIAT) and World Bank 2018: *Climate-Smart Agriculture in Malawi. CSA Country Profile. Washington, D.C.: CIAT.*

[11] Republic of Malawi 2015: *Intended Nationally Determined Contribution. Lilongwe: Republic of Malawi.*

[12] Ministry of Agriculture and Food Security 2011: *Malawi Agriculture Wide Approach. A prioritized and harmonized Agriculture Development Area 2011-2015. Lilongwe: Republic of Malawi.*



## POLICY RECOMMENDATIONS

- **Policy makers at a national and sub-national level should support the role of local community-based organisations** (e.g. cooperatives) in youth-led eco-inclusive entrepreneurship through public sector measures. This can include auditing cooperatives through a transparent system for improved performance indexing and matchmaking between cooperative unions and cooperatives. It could also include building the capacity of cooperatives by operationalising general recommendations from the Cooperative Development Policy.
- **Enterprise intermediaries and policy makers should work together to increase the capacity of smallholder farmers to implement climate change adaptation strategies** through developing a mechanism to collect and disseminate information on the current status of climate-smart agriculture and uptake of solutions and coordinating with eco-inclusive enterprises offering products and services to do so (e.g. microinsurance, risk assessments, sustainable inputs).

**Expanding community-based networks for climate-smart business development - MAFECO.** The Cooperative-to-Cooperative Platform for climate-resilient Agriculture is a digital platform offering combined performance indexing, knowledge sharing, and matchmaking between cooperative unions and cooperatives across Malawi. The platform supports the further coordination of cooperatives and public sector support around cooperatives in Malawi and ensures that cooperative networks are leverage to build climate-smart, youth-led enterprises in the sector. This proposed policy instrument combines a **co-operative performance assessment and index and co-operative-to-cooperative Matchmaking for Capacity Building around youth entrepreneurship.**



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**Stimulating markets for climate-smart agriculture value chains - Microinsurance.** This policy instrument developed through the SEED PLPP **stimulates markets for climate-smart agriculture value chains** by building decentralised climate-smart capacity building networks for agribusinesses and smallholders farmers, supported by public and financial sector partners. The aim is to raise awareness and reduce the vulnerabilities of smallholder farmers and agribusinesses with risk management and adaptation solutions catered to these enterprises and the localised enterprise ecosystems in which they operate. This is achieved **through decentralised climate-smart agriculture and risk assessment campaigns and capacity trainings on climate-smart solutions.**



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[9] Record, Richard; Kumar Praveen and Priscilla Kandoole 2017: *From Falling Behind to Catching Up. A Country Economic Memorandum for Malawi. A Study prepared on behalf of the World Bank. Washington, D.C.*

[10] International Center for Tropical Agriculture (CIAT) and World Bank 2018: *Climate-Smart Agriculture in Malawi. CSA Country Profile. Washington, D.C.: CIAT.*

[11] Republic of Malawi 2015: *Intended Nationally Determined Contribution. Lilongwe: Republic of Malawi.*

[12] Ministry of Agriculture and Food Security 2011: *Malawi Agriculture Wide Approach. A prioritized and harmonized Agriculture Development Area 2011-2015. Lilongwe: Republic of Malawi.*



## Sector Spotlight: Last mile distribution through entrepreneurial innovation for a clean energy future

Electrification is a key policy issue in Malawi as the fast-growing population requires increasing public services and infrastructure. Efforts to address this issue have seen successes such as the connection of rural growth centres to power through the Malawi Rural Electrification Programme<sup>13</sup>, and efficiency improvements through restructuring ESCOM to create opportunities for private companies to supply power.

Government commitments to address existing issues in electrification and the transition to clean energy sources are outlined in the 2017 Malawi Renewable Energy Strategy, and include objectives of promoting alternative energy sources such as solar, cook stoves and briquettes. Achievement of these objectives is key to increasing access to electricity (where currently only 11% of Malawi and 4% of the rural population are grid-connected<sup>14</sup>), and to addressing the negative impacts that charcoal use has on deforestation, health, and gender equality.



### ECO-INCLUSIVE ENTREPRENEURSHIP INNOVATION OPPORTUNITIES

Eco-inclusive enterprises are currently contributing to the achievement of these policy objectives by providing alternative products and services to bring energy to households not connected to the grid, and by innovating in business models and products/services that support the transition to clean energy. There is a significant potential for business activities in this sector, due to a high demand for clean and affordable energy across the country. Businesses currently meeting this demand include SMEs that contribute to the development of scalable clean technologies such as clean cook stoves, off-grid technologies or sustainable solid biofuels including charcoal and briquettes, and innovative business models that reach marginalised populations with these products.

**Empowering rural communities with solar and mobile money services – Sustainable Options Malawi.** SEED Award Winner 2016 Sustainable Options Malawi extends the sales network of well-established enterprises by training local youth associations to act as distribution agents and mobilising local communities to set up self-financing schemes. The enterprise establishes a distribution network for solar and mobile money services in rural areas without access to electricity. By working with youth village savings and loan associations, it creates new sources of micro-finance for solar technology.

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[13] Department of Energy Affairs (n.d.): Malawi Rural Electrification Program. Retrieved 15.10.2019 from <https://energy.gov.mw/index.php/projects/rural-electrification-projects/malawi-rural-electrification-programme>.

[14] Sustainable Energy For All (n.d.): Country Data Malawi. At a Glance. Retrieved 15.10.2019 from <https://www.se4all-africa.org/seforall-in-africa/country-data/malawi/>.



**Enterprise Spotlight: Affordable and durable building materials from recycled plastic waste - GreenTech Solutions, Zimbabwe.** 2019 SEED Africa Award finalist GreenTech Solutions uses plastic waste to manufacture eco-friendly and affordable building materials using solar-powered machinery. The building materials include upcycled plastic tiles, ceiling, gutters and fencing poles which are sold to local companies and household. In particular, GreenTech Solutions produces a sustainable and weather resistance alternative to commonly used iron sheets in the construction sector. The enterprise sources raw material from informal waste pickers and community organization. At the same time, GreenTech solutions raises awareness about local plastic pollution and advocates for appreciating waste as a valuable resource.

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## POLICY RECOMMENDATIONS

There are multiple avenues for policy makers to support enterprises delivering clean energy products and services to marginalised communities. Based on discussions in the SEED PLPP, the recommendations below emerged as potential responses to enterprise needs and measures that will support Malawi's renewable energy objectives:

- **Create joint public and private partnerships** to combine the corporate and financial sector's capital and its technological and financial know-how with community-based knowledge and policy expertise of the public sector
- **Develop and implement capacity building trainings** for greater coordination between private and public sector actors around improving market reach and access to off-grid solar solutions and improving the capacity of SMEs to access financing and markets for their activities.
- **Support clean energy financing** through pay-as-you-go models and leveraging existing public funds for off-grid renewable energy investments at the local level. This would link to "Investments that would enhance the generation, transmission, distribution and utilisation of alternative and renewable energy sources are key to the development of Malawi"<sup>15</sup>
- **Translate existing commitments and targets into public and private sector initiatives** (enlisting local governments in particular) for the development of markets for off-grid renewable energy markets as a viable rural electrification solution.

**Improving market access and affordable financing for off-grid energy solutions through a public private partnership model.** Bringing sustainable energy to Malawi's rural communities can only be achieved through the mobilisation of the private sector on a significant scale. The prototype led by Community Energy Malawi leverages Public Private Partnerships (PPPs) to support environmentally sustainable and socially inclusive entrepreneurship in the energy sector at a local level.

The electrification of (rural) Malawi will be supported through engaging technology suppliers, financiers and insurers around SMEs offering off-grid renewable energy solutions. This multiple stakeholder coordination is central to improving marketing/distribution of off-grid energy products in Malawi.

 **Community Energy Malawi**

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[15] Republic of Malawi 2015: *Intended Nationally Determined Contribution*. Lilongwe: Republic of Malawi.



## Sector Spotlight: Entrepreneurship for waste management solutions across value chains

Continued demographic changes of population growth and urbanisation combined with changing consumption patterns put significant pressure on public and ecosystem services. In urban settlements, waste generation is expected to triple by 2050 with a waste management system that is still at an early stage of development. As an emerging issue, there are few current policy initiatives to address these issues and little investment in closed-loop waste management. The Malawi National Environmental Policy of 2004 has included privatisation of waste management and enforcing existing policies and laws through strengthening institutional capacity and mechanisms for compliance as one of the strategies to deal with waste. As a result of few policy initiatives, the majority of initiatives in this sector are undertaken by small eco-inclusive enterprises and activity in the informal sector.



### ECO-INCLUSIVE ENTREPRENEURSHIP INNOVATION OPPORTUNITIES

By viewing waste as an input or valuable resource, businesses are able to generate markets around the management, collection, sorting, and upcycling of waste. Multiple business models exist in this sector, and actively support the safe management of waste, and promoting circular economies to reduce the release of plastic into the environment.

**Enterprise Spotlight: Empowering marginalised artisans through recycled material homeware products - People of the Sun, Malawi.** People of the Sun created six artisan enterprises and, through partnerships with internationally recognized designers, is expanding the market for handmade homeware items. Its products are developed with waste or natural materials found locally. The enterprise has developed an inclusive value chain that generates social benefits to impoverished local artisans and offers innovative products to the market. With products made from recycled materials, the enterprise is saving resources and creating awareness on the value of recycling, while reducing waste from paper, cardboard and glass in Blantyre city. People of the Sun received a SEED Award to scale their impact in 2015.

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**Providing affordable solar solution for off-grid communities - Natfort Energy, Zimbabwe.** 2019 SEED Africa Award finalist Natfort Energy offers solar energy products to communities lacking access to electricity by offering entry-level solar systems such as lighting units, and larger systems for productive use appliances like solar pumps. Natfort Energy's business model is centred on affordability through a partnership with NetOne Cellular, the second largest mobile operator in Zimbabwe, for easy pay-as-you-go repayment options. By providing sustainable energy to rural communities, Natfort Energy also helps to combat local deforestation and indoor air pollution, and helps local SMEs to increase their productivity.

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## POLICY RECOMMENDATIONS

As a growing issue, policy intervention is essential to ensuring clean cities and reducing waste and therefore pollution. Policy makers can support enterprises operating in upcycling, recycling and waste management through encouraging action at the municipal level and ensuring capacity development and quality standards in the sector. Specific actions include:

- **Support the role of local community-based organisations** (e.g. cooperatives) in youth-led eco-inclusive entrepreneurship through public sector measures by providing information about current government policy on waste management and entrepreneurial

opportunities, and partnering with community based organisations to develop trainings and quality standards.

- **Stimulate the growth of markets for climate-smart agricultural value chains** by exploring opportunities for the deployment of public funds (and support with leveraging private sector funds) to develop value chains for waste management entrepreneurs, from collection to processing and remanufacturing of waste as a resource.

The proposed **Malawi Waste Management Consortium** led by ICCM supports the development of waste management markets and the alignment of policy around green and inclusive economy development approaches with entrepreneurial waste management solutions by improving access to information on the current government policy for waste management and guidance on how to become a waste innovator through **establishing a consortium of waste management experts and ecosystem actors** (including policy-makers) and **developing a digital platform and online marketplace** to collect comprehensive statistical data from enterprises and intermediaries on the status of waste management in Malawi and to offer capacity building to build closed-loop businesses.



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