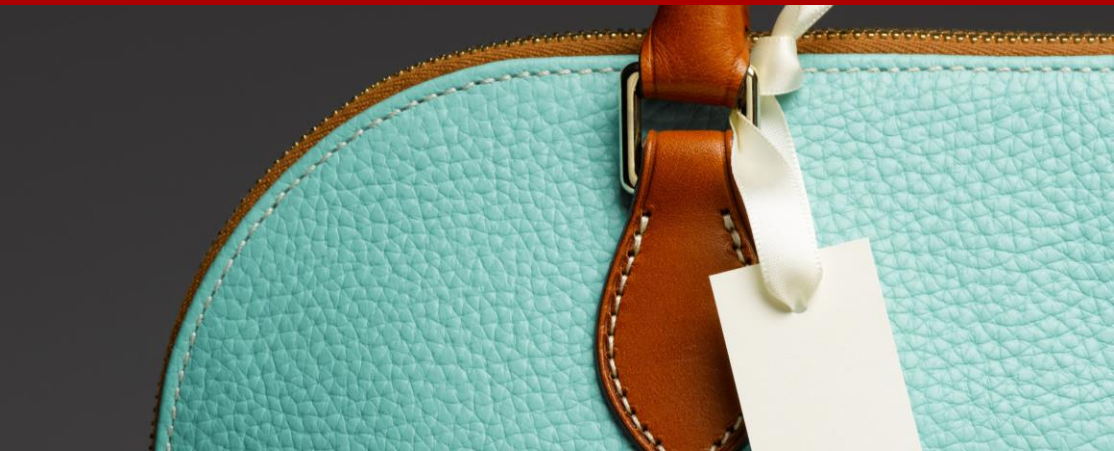


# MANUFACTURING AFRICA



Manufacturing Africa aims to reduce poverty in Africa by attracting £1.2 billion of foreign direct investment into manufacturing and creating 90,000 jobs over 7 years (2019-2026). The programme is funded by the UK government through the Foreign, Commonwealth & Development Office (FCDO)



## CIRCULAR ECONOMY CASE STUDY

*Supporting policy changes to boost Rwanda's circular economy and identify investors for the green leather and sustainable packaging sub-sectors*

In line with its commitment to green growth, Rwanda has introduced several policies to harness opportunities in the circular economy. These policies include the SME growth policy, Made in Rwanda and the Industrial Master Plan. The Government's approach to help the country recover from the COVID-19 pandemic is to Build Back Better and Build Green.



## THE CHALLENGE

To further these ambitions, The Rwanda Development Board (RDB) and The Ministry of Trade and Industry (Minicom) have identified two manufacturing sub-sectors – green leather and sustainable packaging – and needed to answer the following questions:

- **Circular economy:** What is in place to support the circular economy? What policies could promote the circular economy? What is the broad stakeholder perspective on green leather and sustainable packaging sectors to inform the perspective on the circular economy?
- **Green leather and sustainable packaging:** What are the green leather and sustainable packaging landscapes? What are potential areas of development? How can Rwanda promote production in each sector? Which potential investors could Rwanda approach?

**1** green leather plant could generate revenues of  
**~\$1.5 million**  
a year and create  
**300+ jobs**



## OUR SUPPORT

The Government requested Manufacturing Africa's support to answer these questions and understand how Rwanda can promote its green economy:

**Circular economy:** We mapped existing initiatives to enhance production processes, the waste management system and the overall circular economy. Based on this, we prepared draft policy options for the Government on how to support the circular economy by innovating design, improving product longevity, minimising resource wastage and promoting recycling. We also analysed Rwanda's political and circular economies to understand how green leather and sustainable packaging policy options could support the circular economy.

### Green leather:

We reviewed existing feasibility studies and helped to develop recommendations to promote green leather manufacturing by:

- Preparing recommendations to establish a green leather industrial park specialising in the production of tanned leather and value-added products, e.g., footwear and small leather goods;
- Developing a roadmap and value proposition for manufacturers including MSMEs and big industry;
- Organising a workshop to present the green leather project to Government officials and public and private sector organisations working in leather production and the export sector;
- Identifying three investment leads and two opportunities;
- Preparing investment materials outlining the competitiveness and investment advantages of the green leather sector.



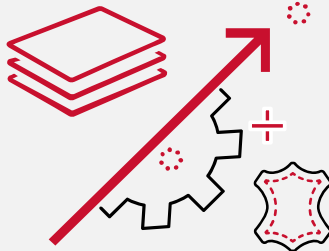
Opportunities to develop a

**12,000 TPa**

plastic recycling plant and a

**25,000 TPa**

Paper recycling plant



**\$30-\$59 million**

opportunity in finished leather

**\$181 million**

opportunity in finished leather goods

**Sustainable packaging:** We mapped the packaging landscape across key value chains and prepared a list of resources that provide a competitive advantage for Rwanda by:

- Mapping packaging needs, viable opportunities for sustainable packaging production and the investor landscape (indicating most relevant and most interested investors);
- Analysing current policy measures;
- Identifying three investment leads and opportunities;
- Preparing investment materials outlining the competitiveness and investment advantages of the sustainable packaging sector.



Opportunity for

**15,000 TPa**

bio-pulp and

**5,000 TPa**

Moulded bio-degradable  
packaging products

## IMPACT

This project could bring an exceptional level of transformation to Rwanda in terms of revenues, employment – particularly of youth and women-led SMEs that dominate the leather sector – and new skills.

### Green leather

The green leather project targets the international luxury sector and, if successful, it will brand Rwanda as a niche market for luxury leather. With an investment of \$10 million, one green leather plant could generate revenues of ~\$1.5 million a year and create 300+ jobs. The opportunity for finished leather is estimated to be \$30 million, and could grow to \$59 million; for finished leather goods it is \$181 million.

The National Industrial Research and Development Agency (NIRDA) estimates that Rwanda could build five plants in the Bugesera Tannery site.

### Sustainable packaging

Sustainable packing offers several opportunities for impact:

- **Recycling.** Rwanda generates an estimated 30,000 TPa of plastic packaging and 75,000 TPa of paper packaging. Opportunities exist to develop a 12,000 TPa plastic recycling plant with an initial focus on PE and PET, and a 25,000 TPa paper recycling plant. Local waste collection systems are in place and collection and segregation efficiency can be enhanced by digital platforms. Recycled plastic can be used for packaging or downcycling to other applications; recycled paper can be used to produce cartons or corrugated boxes.

- **Bio-degradable packaging.** Rwanda's ban on single use plastic will phase out plastic food service trays, cutlery and plastic bags, products that could be replaced by agri waste-based bio-degradable packaging. Rwanda's own 600,000 TPa of cereal production and access to bagasse from neighbouring countries offers an initial opportunity to produce 15,000 TPa bio-pulp and 5,000 TPa moulded products.
- **Tea packaging.** Tea is one of Rwanda's largest exports, at 30,000 TPa and a value of \$ 86 million p.a. The country's high-altitude tea plantations produce high-quality tea that is exported bulk. The Government aims to double packaged tea exports to 10,000 TPa, offering an opportunity for 5,000 TPa paper cartons and tea bags.



Opportunity for

**5,000 TPa**

paper cartons and tea bags

## LESSONS LEARNED

**Collaboration is key.** Developing the circular economy will require close collaboration between different Government entities, development partner support and a champion in the RDB to steer the effort.

*This programme is funded by UK aid from the UK government; however, the views expressed do not necessarily express the UK government's official policies.*

## CONTACT US

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