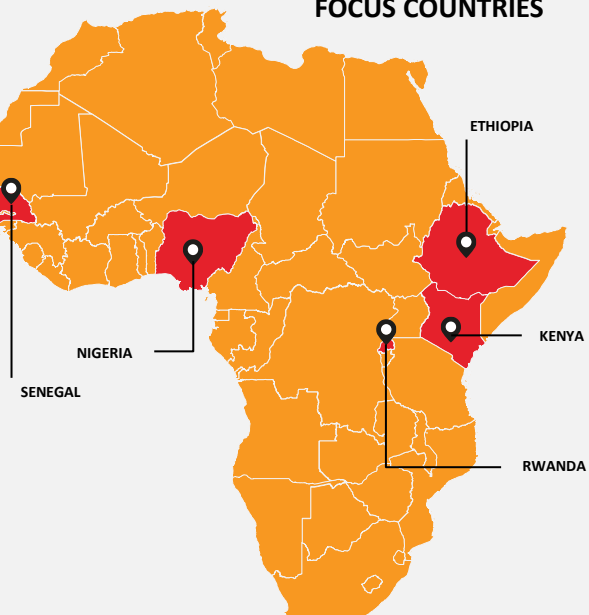


Manufacturing Africa is a regional programme that aims to reduce poverty in Africa by attracting £1.2 billion of foreign direct investment into manufacturing and creating 90,000 jobs over 7 years (2019-2026). The programme is funded by the UK government through the Foreign, Commonwealth & Development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

FOCUS COUNTRIES



PROGRAMME GOAL

Reduce poverty by attracting £1.2 billion of foreign direct investment and create 90,000 jobs

IMPLEMENTING CONSORTIUM

McKinsey & Company, BDO, TechnoServe, Reformatics, Steward Redqueen

FUNDING

UK government through the Foreign, Commonwealth Development Office (FCDO)

STAKEHOLDERS

Investors, investees, manufacturers, governments and investment promotion agencies.

FOCUS SECTOR

Manufacturing

CLIMATE & ENVIRONMENTAL (C&E) STEWARDSHIP FOR SUSTAINABILITY IN MANUFACTURING AFRICA

Why Does Climate and Environment matter for manufacturing in Africa?

- Africa is at the frontline of the climate crisis, severely affected by droughts, floods and cyclones.
- Factories are responsible for an estimated **36%** of greenhouse gas emissions **globally**. In Africa, total emissions from factories have **more than doubled** from 1990 to 2016 and continue to grow exponentially.
- Extraction of raw materials and release of untreated waste cause large pressures on ecosystems. Only 10% of processed material globally reaches customers, meaning **90% of resources processed are wasted**.
- Applying the most efficient technologies only in half of their operations would enable **manufacturers to increase their profits by 12%, create 15% more jobs and reduce their greenhouse gas emissions by 5%**
- Climate change mitigation, but also adaptation and environmental protection must play an important role in Africa’s economic development.
- Promoting sustainability in manufacturing thus presents the opportunity to strengthen economic development while contributing to environmental protection.

KEY CLIMATE AND ENVIRONMENT DATA

36%

of greenhouse gas emissions globally are due to Factories

90%

of resources processed are wasted. Only 10% reach customers

Improving efficiency in manufacturing companies can lead to:

12%

of increase in profits by manufacturers

15%

of jobs to be created

5%

reduction in greenhouse gas emissions.

From Environmental Stewardship to Maximising Sustainability

“Global sustainable investment now tops \$30 trillion, up 68% since 2014 and tenfold since 2004”

Companies that perform well in sustainability are much more likely to receive funding and will benefit in many ways including:

- Increasing operational efficiency and reducing costs and waste.
- Building resilience to ensure long-term business viability.
- Creating competitive advantage through rethinking business models.
- Developing cross organisational alignment and buy-in to sustainable change.
- Circularity and Circular Thinking: working across organisations and the wider ecosystem.
- Understanding the future industrial system and visions of future industry.
- Building the business case for and financing sustainability projects.

TYPES OF C&E SUPPORT OFFERED BY MA

Manufacturing Africa works closely with our portfolio companies to help identify and manage climate and environmental risks, as well as supporting companies to achieve greater sustainability.100% of deals being presented for support through the programme are screened to ensure that both climate and gender lens are integrated to drive positive sustainable outcomes for the environment as well as women.


Depending on your company’s current activities and aspirations regarding environmental stewardship and sustainability, MA can:

- Assess the degree of compliance of your business with investors’ environmental requirements, and propose recommendations to help you meet those standards
- Provide you with a list of recommendations to improve your company’s sustainability, together with a set of achievable targets and performance indicators
- Integrate energy efficiency, sustainable business design and circular approaches (e.g. waste to value) into business models.
- Conduct market assessments for expansion or investment into green products / technology

The Climate & Environment team from Manufacturing Africa supported Opibus, an e-mobility manufacturing company in Kenya, to undertake a Sustainability Options Assessment.

The study was carried out to assess the options that the company can undertake to improve their environmental and social sustainability.

Though Opibus is already very advanced in terms of the way sustainability has been built into their business model, the results of the Sustainability Assessment helped provide them with a clear and tangible action plan on what areas they can improve on to improve their sustainability and in turn become more attractive to ESG investors.



“A proactive approach to integrating a sustainable business model in a company’s activities, coupled with demonstrably strong management systems on Environmental, Social and Governance (ESG) issues, are key to negotiating financing terms with investors and financiers. A company with senior management that has a good understanding of environmental and sustainability issues, a plan for addressing impacts, a management system in place and a team to pull it all together, is more likely to access a wider range of investors by demonstrating that ESG and sustainability risks will be appropriately managed.”

Adrian Mill, Manufacturing Africa Climate and Environment Lead

For more information about the programme, please contact us at info@manufacturingafrica.org

THIS PROGRAMME IS FUNDED BY UK AID FROM THE UK GOVERNMENT; HOWEVER, THE VIEWS EXPRESSED DO NOT NECESSARILY REFLECT THE UK GOVERNMENT'S OFFICIAL POLICIES.