

Small is Powerful

Local green enterprises - how to finance a powerful catalyst for change



About us

The Green Economy Coalition is the largest global movement for green and fair economies. Since our founding in 2009, we have drawn together a broad coalition – peoples’ movements, faith groups, NGOs, businesses, activists, trade unions, academics, UN agencies and think tanks.

Our members represent diverse constituencies but are united by our shared recognition that the current economic system is failing. It is failing to provide social equity; it is failing to preserve our natural resources and ecosystems; and it is failing to provide a sustainable future for the next generation. The economy is no longer fit for purpose.

Our work brings together equity and the environment; economics and ecology; street protests and policy analysis; the Global North and the Global South. As a coalition, we are committed to a vision of prosperity for all within one planet limits, and we are working together to make that transition happen.

www.greeneconomycoalition.org

Contributors

The paper draws on research and work conducted by GEC members: Caribbean Natural Resources Institute (Trinidad and Tobago), Advocates Coalition for Development and Environment (Uganda), Development Alternatives (India), Trade and Industrial Policy Strategies (South Africa), Libélula (Peru), Foro Nacional Internacional (Peru), Innovations Environnement Développement Afrique (Senegal), the International Union for Conservation of Nature (Senegal) and the Economic Policy and Competitiveness Research Center (Mongolia).



We are grateful to Finance Watch for their invaluable input and feedback.



This publication is financed by the European Commission through the “civil society participation for sustainable finance reforms: global coverage” project, through the Department for International Partnerships (DG INTPA).

Contents

Overview of Findings	2
Case Studies	7
1. India	8
2. Mongolia	10
3. Peru	12
4. Senegal	14
5. South Africa	16
6. Trinidad and Tobago	18
7. Uganda	20

Overview of Findings

Across the globe we can see the transformative potential of entrepreneurs as catalysts for fairer, greener and more resilient economies. Whether this is through the production of organic, nature based cosmetics in Trinidad and Tobago, small holder farmers in Mongolian provinces or renewable energy access in South Africa. Micro, small or medium enterprises (MSMEs) are the backbone of emerging economies.

Local Green Enterprises are MSME's that have a positive effect on their local environment, community, society, or economy, often using the triple bottom line approach that assesses economic, environmental and social impact together. Being locally rooted, these firms are responsive to the needs of their communities,

and prioritise responsible operations that create jobs, husband local resources and bring prosperity to local people. As such, they tend to increase the economic resilience and security of national economies.

MSMEs are a significant part of the economy of developing and emerging countries in terms of GDP and employment. As such investment in green local enterprises has great potential to strengthen emerging economies, alleviate poverty and create jobs – all while protecting the environment and catalysing the transition to a fairer economy.

"Across the globe we can see the transformative potential of entrepreneurs as catalysts for fairer, greener and more resilient economies."

Supporting local entrepreneurs to go green

However, local green entrepreneurs all too often lack the support they need to go to scale. One way to encourage supportive regulation and investment in this area is to make sure that policymakers and economists understand what exactly is a local green enterprise, and what isn't. To this end, a global taxonomy to aid recognition and understanding could help unlock new growth in the sector.

No one definition will work for all contexts. Indeed, our work has shown the importance of national governments recognising the needs of their unique communities and sectors – be that “blue-green enterprises” in the Caribbean or new farming practices in Mongolia. Each country needs to understand the potential sectors and markets in their country, using feedback and insights from enterprises and consumers.

Building up a picture of the gaps and needs that are stunting development and create a pipeline of support and connective infrastructure is a vital first step towards boosting economic activity at this level.

In the past, local green enterprises have been overlooked by financial regulators who have excluded local green enterprises from public investment, inhibiting their growth. Tailored legislation that speaks to the specific needs and capacities of LGEs would unleash better economic performance as well as maintain and drive sustainability.

Across countries, we can see enterprises clustering to create a more visible market to attract funding and clients, whether this is small holder farmers in India or chocolate growers and producers across the Caribbean. In Lima, Peru, an

innovative green community space social enterprise has developed that encourages wellbeing and supports craftspeople who can use the space for growing materials and connecting to new customers. Putting fairness, equality and social justice at the heart of the enterprise, cooperatives around the world are allowing people to work together to create sustainable enterprises that generate long-term jobs and prosperity.

"Putting fairness, equality and social justice at the heart of the enterprise, cooperatives around the world are allowing people to work together to create sustainable enterprises that generate long-term jobs and prosperity."

Channelling new investment

Local green enterprises need more investment, and investment that is better designed and more efficiently delivered. It's clear that there is enormous potential in this emerging ecosystem for both private and public financing, with pioneering actors who have the potential to be catalytic in unlocking multiple opportunities across the globe for entrepreneurs and communities.

To unlock these opportunities, we need to connect the expertise and experience of green enterprises with those who assess the risk and market size of potential activities to help them develop innovative new programmes to enlarge access to credit. Risks can be better mitigated and distributed across the financing ecosystem if stakeholders are willing. Public and private sector funders have different and coordinated roles to play in connecting local green entrepreneurs with capital.

Beyond finance, more legislative and regulatory support is needed for this sector and again we can see this organically growing in pockets across the globe. Green skills, green economy academies, and opportunity lists can all contribute to transformative pathways to connect funding, information and skills development to support entrepreneurs to green their business and mentoring for start-ups. In South Africa we are exploring network models to build capacities, chat bots to support entrepreneurs to access opportunities and skills. In Peru self-populating maps help to network LGEs and provide useful information, while in the Caribbean diagnostic tools have been created to help green enterprises with formal recognition and help MSMEs to become greener.

Financing and nurturing local green enterprises will not only enable them to thrive but also to shape development, inclusion and sustainability of local, regional and global economies.

"Financing and nurturing local green enterprises will not only enable them to thrive but also to shape development, inclusion and sustainability of local, regional and global economies."

Brussels Declaration

Local green enterprises: a powerful catalyst for change

Across the globe we can see the transformative potential of entrepreneurs as catalysts for fairer, greener and more resilient economies.

Being locally rooted, these firms are responsive to the needs of their communities and prioritise responsible operations that create jobs, husband local resources and bring prosperity to local people. As such, they tend to increase the economic resilience and security of national economies.

MSMEs are a significant part of the economy of developing and emerging countries in terms of GDP and employment, and local and informal green enterprises are well positioned to provide much-needed ecosystem and circular services. As such investment in green local enterprises has great potential to strengthen emerging economies, alleviate poverty and create jobs – all while protecting the environment and catalysing the transition to a fairer economy.

MSMEs are a significant part of the economy of developing and emerging countries.



We call on governments and policymakers to adopt the following recommendations to unleash the potential of local green enterprise to catalyse powerful inclusive environmental and economic change:

For Public Finance Institutions

- Increase financing towards local economy through green local micro enterprises
- Create a global taxonomy to encourage and guide national definitions
- Deliver support that is targeted at the micro and informal sector
- Explore how to contribute to better mitigate and distribute financial risks
- Encourage and invest in clustering models that increase the size and visibility of green enterprise markets.

Private Finance

- Recognise LGEs as a defined group, and develop specific products and mechanisms for them
- Recognise informal enterprises and develop specific products and mechanisms for informal LGEs
- Invest in clustering models to size and make markets visible
- National Policy Makers as stakeholders to DFIs and transitional pathway designers
- Recognise LGEs: Nationally define a tailored definition of local green enterprise to make the sectors visible and encourage better enabling policy
- Recognise especially the specific needs of informal LGEs
- Develop national plans to build a pathway to unleash the potential latent in local green enterprises and target activity at the micro and informal
- Identify ways to encourage the better distribution of risk beyond small and micro private entrepreneurs as a shareholder of DFIs and through national incentives/directives
- Encourage clustering in industries to make markets visible to potential investors



Tanya is passionate about providing her community with healthier food options, education, and more job opportunities (case study page 16).

Case Studies

The following case studies¹ capture the potential of local green enterprises and illustrate some of the challenges that entrepreneurs face. Many thanks are due to Green Economy Coalition members Caribbean Natural Resources Institute (Trinidad and Tobago), Advocates Coalition for Development and Environment (Uganda), Development Alternatives (India), Trade and Industrial Policy Strategies (South Africa), Libélula (Peru), Foro Nacional Internacional (Peru), Innovations Environnement Développement Afrique (Senegal), the International Union for Conservation of Nature (Senegal) and the Economic Policy and Competitiveness Research Center (Mongolia), for their relationships and work to support these enterprises.

¹ The case studies can be found in the Issue Brief

India

Suman Singh established his service-based micro-enterprise, Hidden Path Himalayas in 2016. Advocating a “Leave No Trace” principle, Suman was the first in the village to advocate for the concept of ecotourism for his village, Agoda, a small hamlet in the region of Uttarakhand with a population of 442. Suman has always loved the mountain and since childhood, has always dreamed of trekking the Himalayas.

Suman not only turned this dream into reality, but made his reality bigger than his dreams when he set up his business that offers tourists nature, heritage, and culture trails; bird-watching tours; snow trekking; camping; and trekking tours all year round. Turning his passion into a business that helps the village and the environment has proven to be successful. Suman has an average turnover of 30 lakhs, with a net profit of 12 lakhs and now has six skilled staff on a contractual basis.

Suman’s business was doing well until the COVID-19 pandemic, when tourism came to a halt. To recuperate what he lost in the pandemic, he thought of expanding his business and starting a homestay in his traditional house. He approached a public sector bank to apply for the Deen Dayal Upadhyah Grah Aawas (homestay) Scheme, a flagship scheme of Uttarakhand to boost the local economy and employment generation. The scheme offers a financial aid of 33% of the project cost of a maximum of 10 lakh basic subsidy. However, Suman was initially shooed away from submitting his loan application. Never one to give up, Suman continued to visit the bank and he was eventually assisted by the bank manager in collating his documents. However, he was still eventually rejected. Later that year, the Uttarakhand Tourism Board launched a new scheme called Trekking Traction Centre, which offers financing to either construct new rooms or renovate a

homestay in the 32 villages identified as a trekking cluster. Agoda village was included in the scheme and Suman applied under the renovation category of the home stay. To his surprise, the process was quicker and simpler than his initial experience. He eventually received a sum of INR 25,000 for renovation and he has seen his homestay business grow. His next step is to increase the number of rooms at his homestay. He has already applied for a loan under the same scheme and is waiting for a decision.

Suman’s success was preceded by many rejections due to the cumbersome lending process implemented by financial institutions. He hopes that loan applications can be more streamlined and that more information about lending schemes can be made available to small entrepreneurs like him.

Around 730 miles away from Uttarakhand, in Bihar, another entrepreneur is helping the environment with his fly ash brick enterprise. Ramasheesh Babu was a manufacturer of red bricks until 11 years ago when he learned of fly ash bricks and started engaging with fly ash brick manufacturers. It is made from industrial waste like fly ash, sand, and stone dust such as that from coal-fired power plants. Bihar has seven coal-fired power plants which have wreaked havoc in the health and environment. The fly ash from these power plants have led to an increase in tuberculosis cases and have polluted farmland and wells, according to a report by Asar Social Impact Advisors, Research on Energy and Clean Air and Manthan Adhyay Kendra. Compared to red bricks, fly ash bricks also use less water, have less wastage, have more compressive strength, absorb less heat, are more fire-resistant, and are cheaper to produce than red bricks. Not only was Ramasheesh convinced of the future prospects of fly ash bricks and how it can help his community, even the government has committed

"Supporting entrepreneurs like Suman and Ramasheesh will be crucial to greening the economy of India and thus, better support must be afforded to these entrepreneurs."

to greening the brick sector in Bihar, directing all government buildings to be constructed with fly ash bricks. The choice to turn his enterprise to produce fly ash bricks instead of red bricks was an easy one.

Ramasheesh was able to secure a minimum investment of Rs.25 lakhs. He availed the loan under the Prime Minister Employment Generation Programme (PMEGP) to start his own fly ash brick unit in Nalanda district of Bihar. Ramasheesh Babu's unit has been churning quality fly ash bricks ever since then, and has also cracked collaboration with local partners - Government and private alike. Ultratech Cement, a market leader in construction, has also been procuring bricks from his enterprise.

Like Suman, Ramasheesh faced difficulties during the pandemic. Construction services came to a halt, and so did the production of fly ash bricks.

"I didn't want my workers to go without food on their table, so I didn't fire them. But I was also not getting any payments from my vendors because their operations had stopped. So I ended up paying from my own pockets as far as I could. With that and paying for my family expenses, I just didn't have enough to pay the installments on time," he said.

He was unaware of the government relief measures announced to support micro and small enterprises. Instead he tried clearing his loan on his own resulting in delayed payments, with his credit

score impacted. His loan has been marked Non Performing Asset (NPA), and he is now facing issues availing another trench of working capital from formal sources. This has limited his capacity to run the current fly ash brick units, let alone expand.

Ramasheesh's lack of financial literacy has impacted his ability to borrow further financing and has landed him in trouble. Dedicated financial literacy programmes are needed to enhance the basic knowledge of the entrepreneurs.

Suman and Ramasheesh are two small entrepreneurs in India whose businesses benefit the community and the environment, but who face many challenges in sustaining and expanding their businesses. Supporting entrepreneurs like Suman and Ramasheesh will be crucial to greening the economy of India and thus, better support must be afforded to these entrepreneurs.



Suman Singh with a group of travelers on a Dodital trek in Uttarakhand

Mongolia

Oyun-Undrakh.B, founder of Handicraft-Undrakh, runs a small business using waste newspaper and other recycled products. What started as a one person home-based business in a five-wall traditional ger, now has its own office of 60 square meters and creates a small number of jobs for the community, with four full time and ten part time employees.

In 2015, Oyun-Undrakh attended a one-day basket weaving course which ignited her interest in the business and since then she has been working independently as a local woman-led enterprise. At the start of the business, she got some support and information through programs by the Asia Foundation, Golomt Bank of Mongolia and the Mongolian National Chamber of Commerce and Industry. A designer by profession, Oyun-Undrakh, expanded her business in the fields of leather and paper craft, sewing, and design.

After learning that support can be obtained from the Department of Small and Medium Enterprises and the Labour Welfare Center, Oyun-Undrakh looked for the opportunity to get a loan of 5 million MNT in the relevant areas, but it did not work. In order to get 5 million MNT, a real estate collateral of 10 million MNT was required. There was a competitive chance to get the necessary funds, if the owner was either a disabled woman or a single mother in charge of a household, but she was neither.

“After starting a business, I learned that there are many loans with nice names. However, it is really difficult to show what you’re doing and ask for a loan. Proof of income, contracts and descriptions of cooperating organizations without mandatory real estate collaterals cannot be accepted for loans,” she said.

“In my opinion, it would be better to provide a trust loan of small amounts to start-up small scale businesses. Indeed, no one wants to have bad credit because they are trying to expand their business and meeting the set-forth loan requirements is impossible,” she added.

This is a usual barrier for small enterprises in Mongolia. Bank requirements to access loans are too high, especially for women entrepreneurs. *“While the majority of small businesses in Mongolia are women owned, women entrepreneurs tend to have less financial independence. For example, they often face challenges related to lack of collateral in their name compared to male counterparts”* said Odonchimeg Ikhbayar, Deputy Director of the Economic Policy and Competitiveness Research Center (EPCRC).

In 2019 a pilot study on Measuring Asset Ownership and Entrepreneurship from a Gender Perspective was done by ADB in cooperation with the National Statistical Office of Mongolia. The main findings of this report were that male members tend to own family real estate two

“What started as a one person home-based business, now has its own office of 60 square meters and creates a small number of jobs for the community.”

"It is imperative that steps are being taken to pave the way, especially for small women-led green businesses, to have the opportunity to scale and grow their enterprise."

times more than women, 3-6 times more agricultural land, and 1.5 times more of other assets. Additionally, there are big differences between urban and rural areas.

As identified by the EPCRC, the barriers that the small, local green enterprises face in Mongolia include: difference in opinion and lack of understanding of green economy and green production among businesses; green business loans provided by the commercial banks are available only in few sectors; not enough support for women-led, small scale green businesses; and lack of accessibility for low interest and long-term financial resources for those businesses.

Oyun-Undrakh's experience illustrates what the EPCRC identified as barriers for small businesses. In her case, while her business clearly helps the environment, accessing green financing still seems out of reach.

"As for green loans, I understand that they are mostly granted for building houses and apartments with renewable energy and heat loss. In the case of our company, we use waste paper to make packaging, so if we get green financing, we may be able to apply. But it seems far from people like us," said Oyun-Undrakh.

There are recommendations laid out by the EPCRC on how to solve these barriers. First, increase the awareness of entrepreneurs about green business. Once this is done, attracting long-term and low-interest financing sources will be more effective. Second, supporting green



Oyun-Undrakh works independently as a local woman-led enterprise.

entrepreneurs by providing tax breaks and subsidies from government agencies may be useful. Third, reduce requirements for green business loans, especially for women. Fourth, it is important to regularly organize promotional activities and events to encourage end users or communities to use green production, products, and services to support green businesses.

These changes won't happen overnight, but it is imperative that steps are being taken to pave the way, especially for small women-led green businesses, to have better opportunities to scale and grow their enterprise.

Although there are significant improvements and changes happening in the green financing sector, in the longer term, steps taken towards improving the accessibility and availability of green loans to micro and small businesses, especially those led by women can have a significant snowball impact on reaching the long-term sustainable development goals of the country. The process to make financing more inclusive in Mongolia might take time, but it is taking shape in recent years, creating ripples of changes that can swell into big waves of change.

Peru

Micro, small, and medium enterprises (MSME) represent 97% of all enterprises in Peru. They also contribute to about 84% of the workforce, and approximately 35% of the GDP. “They are very important for the economy and for the lives of the people. This is the way to sustain their families,” said Luis Prado, Executive Producer of Libelula, an organization that helps green MSMEs in the challenges they face.

And there are many challenges, but two of the biggest ones that green MSMEs in Peru are facing include the lack of definition of what a green enterprise is and being able to access finance. Currently, no formal definition exists on what a green enterprise is and without this definition, creating policies and incentives that would benefit green MSMEs is nearly impossible.

“When we try to organize discussions with finance organizations to offer softer loans for green MSMEs, the first issue they ask us is, ‘How do you define these enterprises?’ And then they say, ‘You have a community, we know they are green, but because there is no legal status we can’t give you special funding for these enterprises,’” Luis said.

“Accessing finance is also a big issue for green MSMEs. They are small, and the smaller you are, the smaller the bank is interested in financing you. They are new, and banks usually ask for credential history and they don’t have anything to show. The conditions for accessing loans are difficult for a small enterprise and banks usually ask for a high return for a very short period of time,” Luis added.

So what do green MSMEs do? They put themselves at risk. Green MSMEs finance themselves using personal loans, putting their own homes on collateral or else ask family members for money to be able to operate.

Luis and his organization had to think of ways to help these green MSMEs the best way they could. Aside from the barriers already mentioned, upon consultations with different enterprises, they found that another need was for these MSMEs to have better visibility. The green entrepreneurs felt that they were alone, they were small, that no one saw them. So Luis and his team set out to create economyaverde.pe, a directory of all the green enterprises with three main objectives: 1.) to create synergies among enterprises so that they can work with each other; 2.) connect enterprises with responsible consumers; and 3.) connect the entrepreneurs with actors that can help them grow. At the moment, there are 237 green MSMEs in the community.

“The green entrepreneurs felt that they were alone, they were small, that no one saw them. So Luis and his team set out to create economyaverde.pe, a directory of all the green enterprise.”

"After only six years in operation, Sinba has recycled 2878 tons of organic waste and has trained over 6500 people in zero waste strategies."



Sinba is a socio-environmental company that sees waste as a vehicle for social change.

One such enterprise is Sinba, a socio-environmental company that sees waste as a vehicle for social change. They raise awareness, bio-manufacture products with high added value from waste, and work in partnership with recyclers and breeders, thus generating a triple positive impact. First, they advise restaurants, caterers, and other food services to implement better practices in the management of organic waste. Food services companies are then awarded a certificate of good practices, the 'Sinbasura Zero Waste Certification', which was launched in 2018 as part of the government's Clean Peru program. Second, they have formed an alliance with recyclers to ensure that food waste is properly recycled. Third, Sinba transforms organic waste into animal feed. And fourth, they market the animal feed they have produced to urban pig farmers.

Sinba's model helps the food waste problem of Peru, a country with 60,000 formal restaurants, and considered to be one of the best culinary destinations in the world. After only six years in operation, Sinba has recycled 2878 tons of organic waste and has trained over 6500 people in zero waste strategies.

Another notable enterprise that is part of *economiaverde.pe* is Qaya, a company that uses fish leather for different products. The fish skin comes from waste from artisanal fishing and aquaculture, which also helps artisanal fishermen get additional income. Qaya's impact in their community and the environment is remarkable.

"We do not hunt for fish. We also tan these skins with our own formulas without chemicals, using only 30 to 40% water compared to a traditional tannery. We work with inmates of the women's prison, whom we train and carry out work with this material and we also give them a fair payment for their work," said Efrain Alva Murillo and Keyla Polo Cespedes, founders of Qaya.

Sinba and Qaya are only two of the over 200 green MSMEs that are part of the *economiaverde.pe* community. *"With this community, we wanted to give them strength, give them a voice, and solve common issues together,"* Luis said. The successes of working together as a community has benefitted green MSMEs, but the work is only just beginning. The community continues to advocate to be formally recognised by the government, a move that will help green enterprises create a bigger impact to their community and the environment.

Senegal

In the coastal town of Bargny, located 30 kilometers from Senegal’s capital, Dakar, is a small enterprise called “Diapal Ma Diap”. The name of the enterprise, which means ‘solidarity, is fitting – it is made up of a thousand women who work together to process fish products in a 50-hectare site.

The processing of fish products in Bargny is a tradition among women. Fish processing is one of the country’s largest exports and provides employment for the community. The enterprise started in the 1990’s, with limited resources and without technical and financial support. It is the only artisanal processing unit approved for export to the European market. Artisanal means using traditional methods that have been passed on from generation to generation.

Previously, women processed fish using charcoal. Using charcoal to smoke fish only increases air pollution, it is also said to be a factor in deforestation. Traditional smoking also produces high levels of polycyclic aromatic hydrocarbons (PAHs) in the fish, which are recognized as carcinogenic when consumed. The women of Diapal Ma Diap have recognized this danger and are engaged in greening the fish processing sector by using the improved oven to smoke fish. There are modern smoking ovens approved by the Food and Agriculture Organization (FAO) that reduce PAH levels in smoked fish. Diapal Ma Diap is one of the early adopters of the new oven technology, as the new method has not been widely adopted in the country.

The improved oven smoking process has three steps: 1.) dehydrating the fish already prepared over low heat for two hours; 2.) cooking the fish, which aims to coagulate the proteins and make the flesh firm, and requires intense fire; and 3.) smoking the fish, where the flame is extinguished with water. Thanks to the closure of the fireplaces and the top of the oven, wood chips are integrated into the fireplace to promote the production of smoke, without the need for charcoal.

"The enterprise aims to diversify and expand. They want to explore producing products that are currently in-demand in foreign markets."

The enterprise aims to diversify and expand. They want to explore producing products that are currently in-demand in foreign markets such as liver oils and dried scales demanded by the cosmetic and pharmaceutical industries, swim bladders which are popular in Asia, shells of bivalve mollusks that are used as building materials in Senegal and dried stomachs and esophagi intended for consumption.

However, the women are facing several constraints, the most persistent of which include

difficulties in accessing finance, no tax incentives/no legislation for green businesses, lack of awareness of the need for funding for certain sectors (paid service), and strong competition from the informal sector.

“Without sufficient financial resources, it is difficult to access the raw material that makes it possible to carry out the activities we want to do,” said one member of Diapal Ma Diap.

In addition, the absence of tax incentives makes the company weak in the face of competition from industrial-type companies on products that were previously exclusively intended for artisanal processing. Industrial fishing has already started wreaking havoc in the Senegalese coast, depleting resources by fishing unsustainably. Town councilor, Fatou Samba, in an interview with Associated Press, hopes to stop the expansion of the big fishing industry in Bargny.

“If we let ourselves be outdone, within two or three years, women will not have work anymore. We are not against the creation of a project that will develop Senegal. But we are against projects that must make women lose the right to work,” she said in her interview.

The current legal framework also does not facilitate positive discrimination and the promotion of the green economy in the fisheries sector because they are less competitive than companies that are in the brown economy.

To deal with this situation, the women of the company have set up a consultation framework

to allow actors to be present in decision-making bodies. In addition, women advocate for the protection of juveniles by refusing to buy them from fishermen or fish merchants. This positive attitude will help protect the resource. The company has set up a procurement cooperative to strengthen the aggregation of purchases.

To address the difficulties of access to financial resources, they have set up a savings and credit fund by the actors concerned specifically adapted to processing activities that will allow women to have easier access to raw materials. Savings and credit unions are instruments that contribute to strengthening women's financial capacity.

The company, within the framework of the National Platform on the Green Economy (PNEV), has initiated advocacy and dialogue on the texts setting the quality label standards for all artisanal processed fish products but also the marketing authorization. The advocacy also focuses on the implementation of an incentive green tax system and the support of the financing of green companies by green funds and the support of banks to finance green companies.

“Especially in Africa, women are fighters. Women are workers. Women are family leaders,” said Fatou Samba in her AP interview. The women of Diapal Ma Diap truly embody the very spirit of their enterprise – solidarity. Together, they are trying to overcome the waves of challenges as a small green enterprise.

“The women of Diapal Ma Diap truly embody the very spirit of their enterprise – solidarity. Together, they are trying to overcome the waves of challenges as a small green enterprise.”

South Africa

When the world went into lockdown, Tanya started farming in her backyard and quickly realized her passion in growing food. In 2021, she started Seeds for Life Farm Primary Cooperative in Kuilsriver, Cape Town where she now grows and sells organic microgreens and fresh produce to her local community, the hospitality industry, and retailers. Her business, which started as a small backyard project, currently supplies a restaurant in Stellenbosch, the Food Lovers Market (Paarl) and a local speech therapist, Gillian Adonis.

"I am a child of the soil. I grew up in a farming community in Stellenbosch and from there, learned the ins and outs of farming and how to grow and cultivate crops. My family all worked on farms in the community," Tanya said.

In South Africa, organic fruits and vegetables are expensive and impoverished communities in South Africa have little or no access to them. According to the latest World Bank report, 55.5% of the South African population live in poverty. Food Forward South Africa, a non-profit addressing hunger in the country, estimates that 30 million people in South Africa are experiencing food insecurity every month. The rising costs of basic food due to inflation has also increased food insecurity in the country.

"Tanya, who sees the struggles of her community, is passionate about providing them with healthier food options, education, and more job opportunities."

Tanya, who sees the struggles of her community, is passionate about providing them with healthier food options, education, and more job opportunities. Tanya has hopes of growing her business and teaching locals from the community to grow and harvest their own fresh fruit and vegetables. She also wants to address the environmental impact of farming.

"We will only use organic farming techniques and methods to ensure that the environment in which it operates is not negatively impacted. Solar panels will power the greenhouse tunnels and low carbon emission vehicles will be used for deliveries," she said.

Tanya's goals for her business does not stop there. She wants to open a High Tech Mega Agri Tourism Mix Commercial Farm on 40 hectares of land. This expansion would create ±100 permanent jobs and ±244 seasonal jobs. Tanya wants to create a local market where people from the community can sell their fresh produce and products and put Kuilsriver on the map as an Agri Tourism Hub.

However, there is a steep hill to climb. Tanya has struggled to get the funding she needs to expand. She has viewed all available funding options, but without owning her property, she struggles to get funding because she has no collateral. She is in a Catch-22 situation that most small businesses in South Africa have to deal with.

The requirements to qualify for funding are roadblocks that entrepreneurs face – they are complicated and tedious application forms slow the process down or stall it completely. It does not help that the expansion from urban farming to commercial farming is not seen or understood by government institutions or funders. Commercial banks don't provide an easier route either where red tape is known to be rampant.



Tanya grows and sells organic microgreens and fresh produce to her local community.

Tanya contacted the City of Cape Town (CCT) to find more available funding options. An official who visited her home to perform an inspection was impressed with the urban farming systems and activities she used. Tanya was then advised to apply for the Department of Agriculture (DoA)'s Subsistence Farming Fund. However, the application process was tedious and difficult and she had to apply more than once because she couldn't meet the criteria.

Tanya, not one to give up, knew that she had to do everything in her power to increase her chances of getting access to finance and land. There is no Kuilsriver urban farming community, so she

joined the urban farming community of Gugulethu. This area is known as a high risk crime area and is known for its gang violence. Tanya had to attend meetings in Gugulethu with the DoA, National Development Agency (NDA) and the National Youth Development Agency (NYDA) to be visible within the community and to impact the people of the community in a positive way by providing agricultural advice.

Tanya was expected to put herself in potentially dangerous situations to be considered for business funding. South Africa has one of the highest rates of gender based violence in the world.

Tanya's determination paid off. Her application for funding was approved and Seeds for Life Farm Primary Cooperative received the maximum funding of R170 000. But Tanya knows she has an advantage. Her husband and brothers-in-law's academic backgrounds in agriculture helped her. The Future Female Business School also provided Tanya with the necessary and essential skills needed in her business venture. Attending meetings with the Future Females programme allowed Tanya to find her confidence and the power of her own voice and determination, something she wants to teach other women in agriculture.

She intends to share her knowledge and experiences with other farmers, especially women, looking to start out and provide them with guidance and support when applying for funding.

"Agriculture is a male-dominated space, and I want other women in the field to know that they have a place at the table," Tanya said.

"Tanya wants to create a local market where people from the community can sell their fresh produce and products and put Kuilsriver on the map as an Agri Tourism Hub."

Trinidad and Tobago

Nestled at the edge of the protected Nariva Swamp is a thriving mango estate owned by the Nandoo family. What started as a way for Kissondial Nandoo and Guridai Bipram to help their daughter Lonella fund her studies, has now become a successful enterprise.

“The first two years of planting the trees, we basically left them to grow. We didn’t take care of them or anything, because this is the Nariva swamp and we weren’t (sic) sure how the trees would cope in the rainy season or dry season,” said Guridai in her interview with [The Guardian Trinidad and Tobago](#).

“We left them over a period of a year, came back and we saw that they were still thriving through the bush. And we started cleaning them and then we started planting more. We decided okay if they could survive a rainy season and a dry season, we could plant more trees and that’s what we did,” she added.

Lonella, after having graduated with a degree in food science and technology, led the innovations which has allowed them to commercialize their products and make different products to sell. Nandoo’s Mango Estate now has 15 different varieties of mangoes and has also started doing tours on the estate, allowing visitors to taste their products. The growth of their business is partially thanks to being able to access financing from a financial institution that allowed them to get legal tenure for the land and build an agro-processing unit.

Nandoo’s Mango Estate is a story that shows how being able to access financing allows multi-generational success for a family enterprise. However, not all small enterprises in Trinidad and Tobago have been successful in accessing these opportunities like the Nandoo family.

Dinelle Spring Burke, from San Souci in North Trinidad, owns the successful business Country Herbs and Teas. Dinelle, who produces tea, seasoning, and spices, started her business as a hobby but eventually became a way for her to supplement her household income and to help finance her daughter’s education. Only after a year of operations, Dinelle has managed to scale her business and her products are now sold in local supermarkets. Businesses in Canada and the UK also want to import her products into their countries. But there is a problem she needs to solve: Build a facility to process her products or shut down.

“Dinelle started her business as a hobby but eventually became a way for her to supplement her household income and to help finance her daughter’s education.”

Dinelle still works from her own kitchen and needs to access a grant or loan to be able to build the facility that was required of her by the government. They have given her a year. However, Dinelle could not find a financial institution that would give her the opportunity – the land she occupies is under lease from a landlord who lacks proper documentation for the land, and she has an existing car loan that she is still repaying. Shutting down her business will not only have a devastating impact on Dinelle, but also on the women in her community who she

"Most small green enterprises are in the informal sector and in the rural areas. They face challenges not only in terms of geography and access to infrastructure, they also face lack of support and proper understanding of the sectors."

employs in her small business. Getting a grant or loan continues to be a challenge for Dinelle and her business. For now, Dinelle's plan is to self-finance the facility she needs to continue her operations.

According to Danielle Morong Johnson of CANARI, which supports local green-blue enterprises (LGE) in Trinidad and Tobago, the problem that Dinelle faces is a common problem.

"Most small green enterprises are in the informal sector and in the rural areas. They face challenges not only in terms of geography and access to infrastructure, they also face lack of support and a proper understanding of the sector from supporting agencies," said Danielle.

Danielle says a lot of work needs to be done to help local green-blue enterprises in the country.

While there are government agencies created to support businesses, they are used to providing support without understanding the nature of LGE's. According to a [CANARI report](#), there needs to be a stronger policy framework to support LGE's, better business development services for LGE's, and better access to financing for LGE's.

"A way to encourage them to be formalized is to present to them the opportunities that are available and they need to be easily accessible. This would encourage an informal enterprise to actually register their business. But if the barriers continue to exist, they will continue to operate in that gray area," she said.

Uganda

Running through the town of Mbarara is the River Rwizi. Fifty-five kilometers long, it is called the lifeline river as it supports over five million people in Western Uganda. However, the river is drying up. Years of human activity such as poor agricultural practices and other commercial activities like brickmaking, sand mining, and fish farming have endangered the river. To save the river, Advocates Coalition for Development and Environment (ACODE), has been working to support small green enterprises in the 11 districts where the river runs through.

ACODE has helped in the formation of the Mbarara Green Enterprises Association - an association of local green enterprises looking to restore River Rwizi. The association is composed of different enterprises that are engaged in sustainable practices like fish farming, tree planting, making interlocking bricks, and gardening and landscaping, among others.

One such enterprise is a business that makes briquettes using waste materials such as peelings from bananas mixed with soil. The briquettes are a substitute for charcoal, which most households in Mbarara still use for cooking. In fact, 77.3% of households still depend on charcoal, leading to increased health risks – an impact of the amount of heavy metals and carbon dioxide produced while burning charcoal. Uganda Green Fire's briquettes can change this situation, especially if they get more funding to scale-up production.

Arthur has shared that the enterprise managed to get a loan enough to buy a tuk tuk which has allowed the enterprise to put their products in the market and scale-up production. Some people in the community have started using his briquettes

instead of charcoal but convincing more people to switch to the more environmentally-friendly option continues to be a challenge. Arthur believes that this can be solved by better marketing, but this would need additional financing.

Not all small green enterprises in Mbarara are able to access financing. *“These innovative green enterprises are new, so most financial institutions don't trust them. So this is why we started a seed fund to help these local green enterprises borrow money to grow their businesses,”* said Arthur Bainomugisha, Executive Director of ACODE.

Bamusalim Services Ltd, an enterprise that uses interlocking bricks technology. It is affordable, durable, and more environmentally friendly than burnt bricks. Bamusalim Services also uses plastic to make other products like roof tiles. This kind of technology can help make affordable houses, a solution to the country's housing deficit which is currently at 2.4 million, according to Habitat for Humanity. However, Bamusalim Services also needs the financial support for production and support for collaborations such as finding a market for their products.

“One of the goals of the association is to create opportunities for small green enterprises that otherwise wouldn't be afforded to them by banks.”

One of the goals of the association is to create opportunities for small green enterprises that otherwise wouldn't be afforded to them by banks. They started with a small seed money of 20 million Ugandan Shillings which is then used as a fund to help finance small green enterprises. The interest rate is only 2%, compared to the 24% interest rate offered by banks. This ensures that the fund is accessible, especially for women and young people.

Uganda has one of the youngest populations in the world, with 77% of the population being younger than 25 years old. *"If you engage women and young people into green businesses, you will certainly save the environment,"* Arthur emphasised.

The goal of the association is to grow the borrowing fund to cover a critical mass of

women and youth entrepreneurs. They also want to ensure that women and young people are organized so they can be trained in business management and financial literacy.

"Small and medium enterprises contribute about 70% of employment, 20% of Uganda's GDP but unfortunately they have limited access to credit because most of them lack collateral like land, and women and youth are especially disadvantaged as they don't own property and have no experience borrowing from the bank," Arthur added.

Women and youth-led small and medium green enterprises play an important role in transitioning Uganda to a green economy, but the hurdles need to be removed in order to help them help their community, the economy, and the environment.

"The goal of the association is to grow the borrowing fund to cover a critical mass of women and youth entrepreneurs."

The Green Economy Coalition exists to accelerate the global transition to greener, fairer economies.

Together we:

Connect: We make bridges between business, civil society and government. We stimulate debate, dissent and dialogue. We build collective positions.

Communicate: We tell the stories of change. We track the transition. We bust economic myths.

Influence: We champion the voice of the excluded. We challenge the status quo. We hold decision makers to account.

The race for green and fair economies is on.
Let's hold our governments to account:

www.greeneconomytracker.org

Find out more at

www.greeneconomycoalition.org



This publication is financed by the European Commission through the “civil society participation for sustainable finance reforms: global coverage” project, through the Department for International Partnerships (DG INTPA).

