



IICA-COLEAD Caribbean Agrifood Business Series

Session n°11:

The role of agrifood businesses in promoting circular economy: successes from entrepreneurs and SMEs

Thursday 16 November 2023 – 14:00-16:00 UTC / 10:00-12:00 AST

[Online \(Zoom\)](#)

Live interpretation in English, French, Spanish and Portuguese

1. Context

A circular economy is a system that aims to reduce waste and environmental impact by reusing, recycling, and regenerating resources and products. A circular economy can offer many benefits for the agri-food sector, such as improving resource efficiency, enhancing food security, and creating new business opportunities.

Some principles of a circular economy in the agrifood sector are:

- **Waste Reduction and Resource Efficiency:** The focus is on minimizing waste and optimizing the use of resources, including water, soil, and energy.
- **Sustainable Sourcing:** Agrifood businesses aim to source ingredients and raw materials sustainably, often from local suppliers, to reduce the carbon footprint.
- **Value Addition and Diversification:** Products and by-products are used to their full potential, leading to value addition and diversification of offerings.
- **Recovery and Recycling:** Agrifood businesses aim to recover and recycle waste and by-products to create new products or energy.

In the agricultural and agrifood sector, the transition to a circular economy model is crucial and entrepreneurs and small and medium-sized enterprises (SMEs) are playing a significant role in driving this transformation.

The circular economy model has gained high-level political attention and support in Latin America and the Caribbean (LAC) in recent years. Countries in the region have either implemented or are planning new circular economy policies, public initiatives and roadmaps.¹

¹ Patrick Schröder, Manuel Albaladejo, Pía Alonso Ribas, Melissa MacEwen and Johanna Tilkanen . [The circular economy in Latin America and the Caribbean Opportunities for building resilience](#). Research paper. The Royal Institute of International Affairs Chatham House. 2020.



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2. Opportunities for entrepreneurs and SMEs in the circular economy

Entrepreneurs and SMEs can play a key role in promoting a circular economy in the agri-food sector by developing innovative solutions that address the specific needs and problems of the industry. For example, some entrepreneurs and SMEs have successfully created circular business models that valorize food waste and by-products into new products or services, such as animal feed, bioenergy, bioplastics, or fertilizers. Others have developed circular technologies that improve the quality and shelf life of food products, such as smart packaging, sensors, or blockchain. Moreover, some entrepreneurs and SMEs have fostered circular practices that reduce the environmental impact of food production and consumption, such as organic farming, local sourcing, or plant-based diets.

Upcycling Food Waste: Entrepreneurs and SMEs are creatively upcycling food waste to develop new, marketable products. For instance, companies have turned surplus fruits and vegetables into juices, sauces, and snacks, thus reducing food waste while generating revenue.

Local Sourcing and Short Supply Chains: Many small agrifood businesses prioritize local sourcing. By working directly with nearby farmers and producers, they reduce transportation-related emissions and promote local economic development. This approach also leads to fresher, more sustainable products.

Circular Packaging Solutions: Entrepreneurs have developed innovative packaging solutions, including biodegradable and reusable materials. These packaging options reduce the environmental impact of packaging waste in the agrifood industry.

Waste-to-Energy Initiatives: SMEs have embraced waste-to-energy technologies to convert organic waste into biogas, which can be used to power their operations or even sold back to the grid. This not only reduces waste but also lowers energy costs.

By-Product Utilization: Many agrifood businesses are finding innovative uses for by-products. For example, wineries are using grape pomace (the remains of grapes after pressing) to produce cosmetics and dietary supplements, creating new revenue streams.

Community Engagement and Education: Entrepreneurs and SMEs often engage with their local communities to promote circular economy practices. They educate consumers about food waste reduction, sustainable sourcing, and recycling initiatives, fostering a sense of responsibility and sustainability.

However, implementing a circular economy in the agri-food sector also poses many challenges, such as changing consumer behavior, adapting to regulatory frameworks, and overcoming technical and financial barriers.

3. Challenges facing entrepreneurs and SMEs in transitioning to a circular economy

While SMEs and entrepreneurs in the agrifood sector have made significant strides in promoting the circular economy, they also face several challenges such as:

- Limited knowledge: Not every country knows about the potential of circular economy or has a strategy in place for creating it. A better understanding of the benefits and impacts of circular economy measures, particularly for climate and biodiversity, is needed.²
- Access to Capital: Securing funding for circular economy initiatives can be challenging, especially for small businesses.

² UNDP. [What is circular economy and why does it matter?](#) 2023.

- Regulatory Hurdles: Regulatory and compliance issues can impede the development of circular economy solutions in agrifood.
- Scaling Innovations: Scaling circular economy initiatives can be difficult for SMEs with limited resources and funding is still insufficient for transitioning to greener practices.
- Consumer Behavior: Changing consumer behavior to buy circular economy products and services remains a challenge due to initial higher cost.

A successful transition towards the circular economy in the Caribbean region will depend on the investment in Research and Development, the policy and financial incentives the private sector can get, and the policies in place to support a green transition. The transition will also require a widespread adoption of Industry 4.0 technologies, such as smart packaging, sensors, blockchain, biotechnology, etc.³

4. The way forward

The circular economy has the potential to be a driver of job creation, value addition and economic growth, when supported by appropriate policies, legislation and incentives.

Agrifood businesses, particularly entrepreneurs and SMEs, are at the forefront of promoting a circular economy in the sector. Their successes in upcycling food waste, sourcing sustainably, developing circular packaging, and engaging with local communities are shaping a more sustainable future. Overcoming challenges related to funding, regulations, and scaling will be essential as we continue to advance the circular economy in agrifood, helping to reduce waste, improve resource efficiency, and mitigate environmental impacts.

Public policies, financial regulations and incentives must encourage companies to move their investments toward circular business models instead of conventional ones. Financial institutions can shift the balance towards circular projects by phasing out incentives for non-circular products, creating attractive loan conditions, and developing purchase guarantees that can mitigate risks. Policies alone are not enough, however, and supporting tools, capacity building programs, and international knowledge exchange are all essential for moving from theory to practice.⁴

Policymakers, investors, and consumers can further support entrepreneur's efforts by fostering an enabling environment and actively participating in the circular agrifood economy.

Key points for discussion on the role of agrifood businesses in promoting circular economy:

- What investments are required for entrepreneurs to adopt circular economy practices?
- What do we learn from best practices in terms of innovations, technologies, and knowledge needed?
- What incentives can be provided to SMEs and businesses to scale up adoption of circular economy practices and technologies?

For this session, The Global Green Growth Institute⁵ (GGGI) joins forces with IICA and COLEAD in supporting green entrepreneurship in the Caribbean. GGGI is an inter-governmental organization dedicated to supporting and promoting strong, inclusive and sustainable economic growth in developing countries and emerging economies.

³ Patrick Schröder, Manuel Albaladejo, Pía Alonso Ribas, Melissa MacEwen and Johanna Tilkanen . [The circular economy in Latin America and the Caribbean Opportunities for building resilience](#) . Reserach paper. The Royal Institute of International Affairs Chatham House. 2020.

⁴ United Nations Environment Programme (2023). [Unlocking Circular Economy Finance in Latin America and the Caribbean: The Catalyst for a Positive Change— Findings and recommendations for Policymakers and the Financial Sector](#). Nairobi.

⁵ <https://gggi.org/>

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Agenda

10:00-10:05 Introduction

Moderation: Allister Reynold Glean, Representative in Barbados, IICA

10:05-10:50 Panel: experiences from entrepreneurs and SMEs promoting circular economy

- Larry Francis, Managing Director, Indies Greens, Antigua and Barbuda
- Joshua Forte, Founder and CEO, Red Diamond Compost Inc, Barbados
- Oniel Nuñez Guzmán, CEO, Onavocados, Dominican Republic
- Rosamund Benn, President, Women Agro-processors Development Network (WADNET), and Founder, Pomeroon Rose, Guyana

Moderation: Isolina Boto, Head of Networks and Alliances, COLEAD

10:50-11:30 Insights from support programmes

- Jennifer Maynard, Founder, Microgreens@JayMay Acetoria, Antigua and Barbuda
- Kristin Deason, Caribbean Representative, Green Growth Planning and Implementation, Global Green Growth Institute

11:30-11:50 Q&A session

11:50-12:00 Conclusion and way forward



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