

# MSMEs AS AGENTS OF GREEN CHANGE: NATIONAL ROADMAPS FROM ESWATINI AND ZAMBIA



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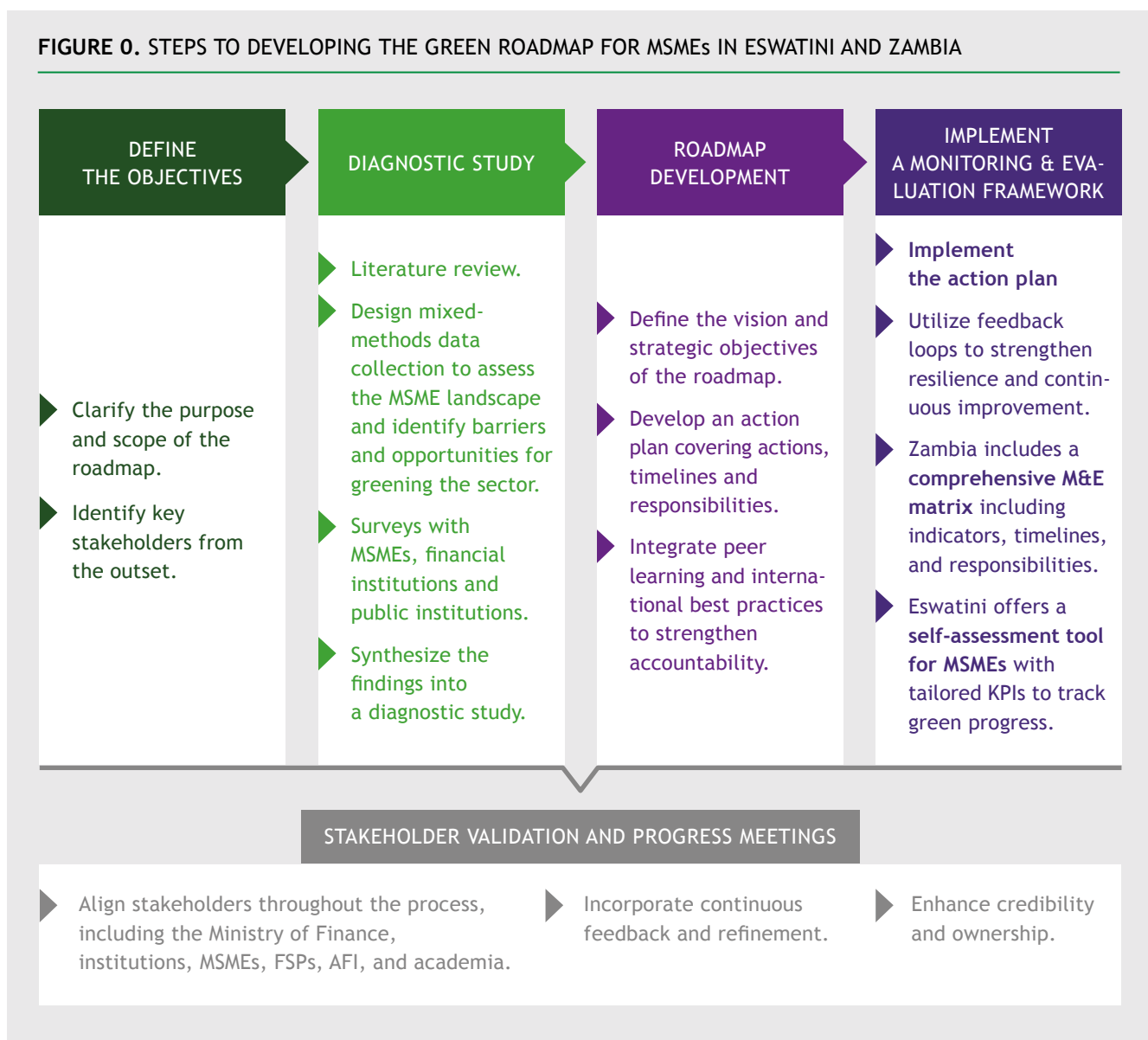
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## EXECUTIVE SUMMARY

Micro, small, and medium enterprises (MSMEs) are the heartbeat of our economies. They generate jobs, income, and opportunities for millions, especially women and rural communities, yet they are among the most exposed to climate shocks. Droughts, floods, and rising costs already threaten their survival. Helping MSMEs transition to greener, more resilient business models is not a choice, it is an urgent necessity.

This report, *MSMEs as Agents of Green Change: National Roadmaps from Eswatini and Zambia*, builds on AFI's *Green Transition Measures for MSMEs report* (2024) and showcases how the ministries of finance in both countries, with AFI's support, developed their first national roadmaps to guide MSMEs toward inclusive green growth. Both roadmaps, though developed separately, applied a similar approach. They began with a diagnostic study combining a literature review, surveys of MSMEs and key institutions, and a mixed-methods analysis to map the green finance landscape and identify policy gaps. The results were consolidated into a diagnostic report, which formed the foundation for developing the roadmap. Validation workshops were crucial in refining both the diagnostic study and roadmap through stakeholder input, ensuring buy-in, and strengthening alignment with the realities of Zambia and Eswatini to enhance adoption prospects.

**FIGURE 0. STEPS TO DEVELOPING THE GREEN ROADMAP FOR MSMEs IN ESWATINI AND ZAMBIA**





While both countries demonstrate strong political will and climate commitments, their experiences highlight common gaps and context-specific approaches in supporting the green transition of MSMEs. The insights below underscore the importance of centering MSMEs in climate strategies, addressing persistent financing and capacity barriers, and driving coordinated, multi-stakeholder action to ensure that green finance translates into real impacts on the ground:

- **Policies exist, but MSMEs are often left out.** While both countries have strong climate frameworks, MSMEs have had limited participation in shaping them. The roadmaps change this by putting their needs at the center of climate and economic policymaking.
- **Context shapes the approach.** Eswatini's smaller, more centralized ecosystem allowed faster integration of green finance, with an emphasis on agriculture and rural adaptation. Zambia's larger, more diverse economy required building foundations, closing finance gaps, strengthening coordination, and advancing renewable energy and manufacturing.
- **Persistent barriers remain.** MSMEs continue to face limited access to affordable green finance, high collateral demands, low awareness of opportunities, and weak technical capacity.
- **Coordination is critical.** Aligning ministries, regulators, and private sector stakeholders is essential, and deliberate inclusion of women-led MSMEs is vital.
- **Finance alone is not enough.** Without awareness, training and capacity-building, green finance will remain underutilized.

Policy Recommendations:

- 1 | Policymakers:** Embed green targets in MSME strategies, create tax and procurement incentives, and formalize coordination platforms.
- 2 | Financial Regulators:** Develop MSME-specific green finance guidelines, expand blended finance and guarantee schemes, and integrate climate-risk assessments into lending.
- 3 | Donors and Partners:** Align support with national roadmaps and enable South-South peer learning.
- 4 | Private Sector and MSME Support Bodies:** Strengthen value chains, incubation programs, and partnerships that de-risk MSME financing.

The experiences of Eswatini and Zambia send a clear message: MSMEs are not passive beneficiaries, they are critical drivers of climate solutions. With the right mix of policy, finance, and capacity support, they can power renewable energy, strengthen food security, and generate sustainable jobs.

No MSME should be left behind in the green transition. It is our shared responsibility to bridge ambition with action, finance with knowledge, and policy with inclusiveness. AFI will continue standing with its members to build financial systems that enable MSMEs to become true engines of inclusive green growth.

# INTRODUCTION

The transition of micro, small, and medium enterprises (MSMEs) toward greener practices is no longer optional; it is both an urgent necessity and a real opportunity for inclusive economic growth.

Earlier research by the Alliance for Financial Inclusion (AFI), **Green transition measures for MSMEs**,<sup>1</sup> underscored how MSMEs are disproportionately vulnerable to climate risks while simultaneously holding significant potential to drive sustainable change. The study highlighted the enabling role of financial regulators, central banks, and ministries of finance in shaping policies that promote access to green finance, incentivize low-carbon innovation, and align domestic initiatives with global sustainability frameworks.

Building on these findings, this second installment of the project<sup>2</sup> turns to country-level experiences, showcasing how the ministries of finance in Eswatini and Zambia, with support from AFI, demonstrated leadership in charting national roadmaps for greening their MSME sectors. These case studies document the processes by which both countries identified barriers, assessed enabling conditions, and engaged stakeholders to design actionable pathways for MSMEs to become agents of sustainable development. Each roadmap emphasizes climate resilience, improved access to green finance, and alignment with international commitments

such as the Paris Agreement and the Sustainable Development Goals (SDGs), particularly SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action).

Although tailored to their national contexts, both roadmaps share common objectives: improving MSMEs' access to green finance, enhancing institutional coordination, and fostering private sector engagement in climate-smart innovation and infrastructure. Each roadmap began with a diagnostic study combining literature reviews, MSME surveys, and consultations with policymakers and financial institutions. This process ensured diverse perspectives across sectors and regions, and provided the evidence base for the roadmaps, which not only chart the way forward for Eswatini and Zambia but also offer replicable models for other AFI members pursuing similar transitions.

Both countries face significant climate-related challenges, from prolonged droughts and erratic rainfall to infrastructure gaps and limited access to finance. For many MSMEs, especially those in rural and informal sectors, these obstacles translate into fragile operations, low awareness of green solutions, and limited capacity to adopt sustainable practices. The roadmaps aim to turn these vulnerabilities into opportunities by promoting climate-smart approaches such as renewable energy systems, energy-efficient equipment, and water-saving technologies, that both reduce environmental risks and lower operating costs, improving long-term business viability.

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While challenges remain, including fragmented policies, capacity gaps, and heavy dependence on external financing, the experiences of Eswatini and Zambia demonstrate how national strategies can bring together governments, financial institutions, and the private sector to mobilize collective action. Their work offers valuable lessons for other countries looking to create enabling environments that support the green transition of MSMEs through inclusive and gender-sensitive financial systems.



<sup>1</sup> Alliance for Financial Inclusion. 2024. Green Transition Measures for MSMEs. Available at: <https://www.afi-global.org/wp-content/uploads/2024/10/Green-Transition-Measures-for-MSMEs.pdf>

<sup>2</sup> This project is a product of the Inclusive Green Finance Working Group (IGFWG) and the Small and Medium Enterprise Finance Working Group (SMEFWG). The aim of the project is to better understand the barriers that hinder development and implementation of inclusive green finance (IGF) for MSMEs and through the production of three knowledge products, provide research and guidance on policies and regulations to advance IGF initiatives for MSMEs.

## OBJECTIVES OF THIS CASE STUDY

The primary objective of this case study is to document and analyze the process undertaken by Eswatini and Zambia in developing national roadmaps to green their MSME sectors.

These roadmaps were designed to provide a coherent and actionable framework for guiding MSMEs toward sustainable, low-carbon, and climate-resilient business practices.

By identifying key barriers, enabling conditions, and sector-specific opportunities, the roadmaps aim to support inclusive green economic transformation while aligning with international obligations such as the Paris Agreement and the SDGs.

Specifically, the roadmaps set out to promote access to green finance for MSMEs, enhance institutional coordination, and promote private sector engagement in climate-smart innovation and infrastructure. For Eswatini, the roadmap places particular emphasis on climate resilience and adaptation, especially in agriculture and rural enterprise development, while Zambia's roadmap underscores green growth opportunities in sectors such as renewable energy and sustainable manufacturing. This case study provides a comparative lens through which to assess how tailored national strategies can mobilize MSMEs as agents of sustainable development, illustrating different approaches that other AFI member countries can apply in their own green transition efforts.



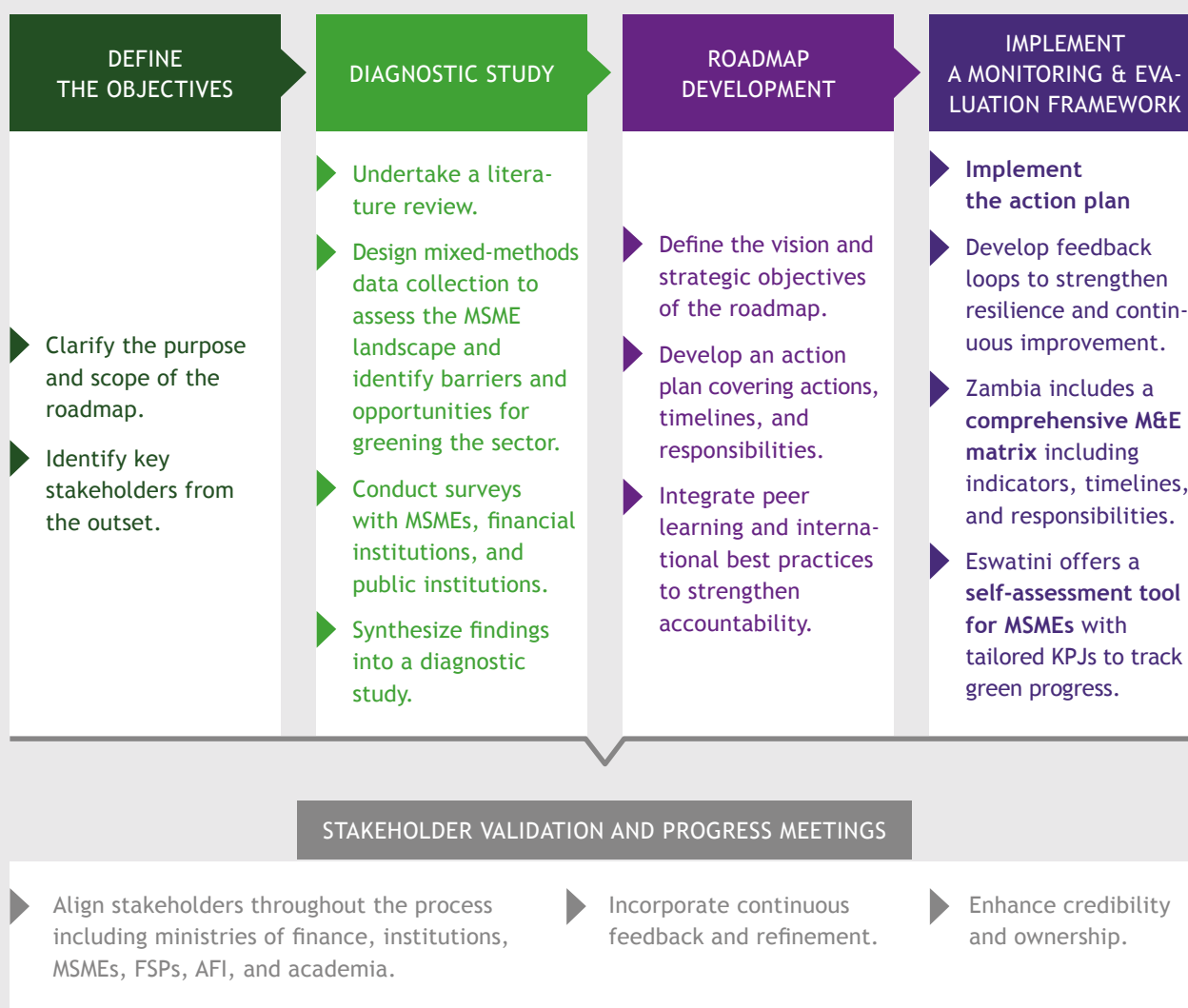
## METHODOLOGY FOR THE DEVELOPMENT OF EACH ROADMAP

Although developed independently, both roadmaps followed a similar methodology.

They started with a diagnostic study using a rigorous mixed methods approach to assess the status of green finance within Eswatini's and Zambia's MSME sector.

The literature review helped contextualize the green finance landscape, identify policy gaps, and inform the subsequent research instruments. Subsequently, two surveys, one targeting MSMEs and another directed at key government and financial institutions, were conducted ensuring broad sectoral and geographic representation. All of the findings were then synthesized into a diagnostic report intended to serve as the foundational reference for the formulation of the roadmap.

FIGURE 1. STEPS TO DEVELOPING THE GREEN ROADMAP FOR MSMES IN ESWATINI AND ZAMBIA





# CASE STUDY: MINISTRY OF FINANCE ESWATINI



## ESWATINI AT A GLANCE

### DEMOGRAPHIC INFORMATION



**1,230,506**

of which women represent

POPULATION

**50.91%** (2023)



**75%**

(2024)

RURAL POPULATION



**89.1%**

(2020)

ADULT LITERACY RATE

### SOCIO-ENVIRONMENTAL AND INFRASTRUCTURE INFORMATION



**0.97%**  
metric tons  
(2020)

CO<sub>2</sub> EMISSIONS PER CAPITA



**29%**  
(2021)

FOREST COVER (% of land area)



**83%** in rural areas  
**95%** in urban areas

ACCESS TO ELECTRICITY

### ECONOMIC INFORMATION

**58.9%** (2017)

% OF THE POPULATION  
BELOW THE POVERTY LINE

**87%** (2023)

FINANCIAL INCLUSION

**94,000** (2023)

NUMBER OF MSMEs

**50%** (2024)

MSMEs CONTRIBUTION  
TO GDP



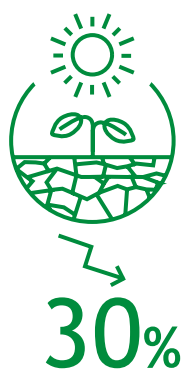
# INTRODUCTION

## Context and Background

Micro, Small, and Medium Enterprises (MSMEs)<sup>3</sup> play a critical role in Eswatini's economy, employing 21 percent of the national workforce across sectors such as retail, agriculture, and manufacturing.<sup>4</sup> Predominantly rural-based (74 percent), the MSME sector supports vulnerable communities but faces structural barriers, particularly in access to economic opportunities.<sup>5</sup> Women-led MSMEs (WMSMEs) constitute 60 percent of all MSMEs, with high representation in manufacturing (75 percent), wholesale trade (65 percent), and agriculture (57 percent); however, 85 percent of WMSMEs are survivalist microenterprises.<sup>6</sup>

Despite the importance of the MSME sector to the economy, it faces significant challenges, including a high degree of informality, where 57 percent of MSMEs operate outside the formal economy<sup>7</sup> due to financial constraints, taxation concerns, and their small-scale nature. This widespread informality limits the sector's access to financing and ability to comply with regulations and business scalability, ultimately constraining its potential for growth and expansion.

## Impact of Climate Change in Eswatini



The 2016 El Niño drought, recognized as the most severe in Eswatini since 1992, led to a 30 percent decline in sugar production revenues, an estimated USD20 million loss in cattle production, and resulted in an economic impact equivalent to seven percent of GDP or 19 percent of fiscal revenues.

The Kingdom of Eswatini is experiencing more frequent and intense extreme weather events, including heavy rainfall and prolonged droughts as a result of climate change.<sup>8</sup> Since 1950, the average annual temperature has risen by over 3 °C, accompanied by shortened and increasingly erratic rainfall seasons.<sup>9</sup> These changes are having widespread socioeconomic and environmental consequences, such as decreased agricultural productivity, heightened food insecurity, accelerated soil erosion, and loss of vital ecosystem services. Climate variability is also driving biodiversity loss, with forest fires, invasive species and habitat fragmentation undermining the ecological integrity of the country's diverse ecosystems.<sup>10</sup> Vulnerable groups are disproportionately affected, as the effects of climate change compound existing socioeconomic deprivations in health, education, and living standards.<sup>11</sup>

<sup>3</sup> See *Eswatini National MSME Policy 2024-2029* for the MSME definition for Eswatini.

<sup>4</sup> Finscope. 2023. Eswatini Blended Micro, Small, and Medium Enterprises Survey Findings Report. Available at: [https://finmark.org.za/Publications/Eswatini\\_2023\\_Report\\_web.pdf](https://finmark.org.za/Publications/Eswatini_2023_Report_web.pdf)

<sup>5</sup> Idem.

<sup>6</sup> Finscope. 2023. Eswatini Blended Micro, Small, and Medium Enterprises Survey Findings Report. Available at: [https://finmark.org.za/Publications/Eswatini\\_2023\\_Report\\_web.pdf](https://finmark.org.za/Publications/Eswatini_2023_Report_web.pdf)

<sup>7</sup> Ministry of Commerce, Industry and Trade and UNDP. 2024. Eswatini National Policy for Micro, Small, and Medium Enterprises. Available at: [https://www.undp.org/sites/g/files/zskgke326/files/2025-02/eswatini\\_msme\\_national\\_policy\\_2024-2029.pdf](https://www.undp.org/sites/g/files/zskgke326/files/2025-02/eswatini_msme_national_policy_2024-2029.pdf)

<sup>8</sup> Ibid.

<sup>9</sup> UNICEF. 2022/2023. Unlocking Climate Finance for Sustainable Development in the Kingdom of Eswatini. Available at: [https://www.unicef.org/eswatini/media/1491/file/Eswatini\\_Climate\\_Financing\\_Brief\\_2023.pdf.pdf](https://www.unicef.org/eswatini/media/1491/file/Eswatini_Climate_Financing_Brief_2023.pdf.pdf)

<sup>10</sup> Green Climate Fund. 2024. Eswatini Country Programme. Available at: <https://www.greenclimate.fund/document/eswatini-country-programme>

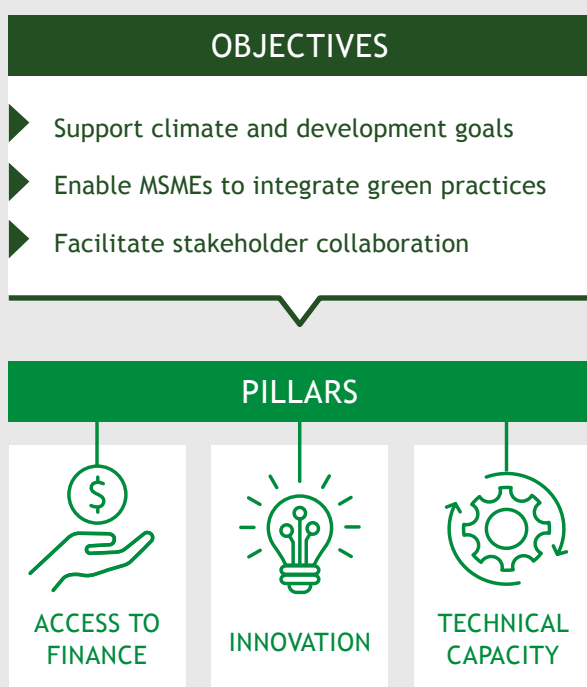
<sup>11</sup> UNICEF. 2022. Country Office Annual Report 2022 Eswatini. Available at: <https://www.unicef.org/media/136751/file/Eswatini-2022-COAR.pdf>

## OBJECTIVES OF ESWATINI'S GREEN ROADMAP FOR MSMEs

The Green Roadmap for MSMEs in Eswatini (referred to as the roadmap in this case study) provides a strategic framework to guide MSMEs in adopting environmentally sustainable practices aligned with national climate and development goals. It seeks to enhance access to green finance for MSMEs, promote innovation, and build technical capacity through a structured, inclusive approach.

The roadmap also promotes collaboration among government, financial institutions, and industry stakeholders to ensure coordinated action in policy, resources, and awareness-raising, ultimately supporting the competitiveness, resilience, and contribution of MSMEs to Eswatini's low-carbon, climate-resilient economy.

**FIGURE 2.**  
OBJECTIVES AND PILLARS OF THE GREEN ROADMAP  
FOR MSMEs IN ESWATINI



## DIAGNOSTIC STUDY

### Reviewing Existing Green Finance Initiatives and Policies

Despite its minimal contribution to global greenhouse gas (GHG) emissions, Eswatini has seen rising emissions, mainly from agriculture, forestry, and land use change, but remains committed to climate action.<sup>12</sup> For over 20 years, the government has integrated climate objectives into national development planning and various policy instruments, prioritizing climate-smart agriculture, energy transition, and disaster risk management, with MSMEs recognized as key actors.

The development of Eswatini's Green Roadmap for MSMEs was informed by an extensive review of the national policies, strategic frameworks, and international best practices relevant to sustainable development and private sector greening such as the National Development Plan (2023/24-2027/28), the MSME National Policy (2024-2029), the National Financial Inclusion Strategy (NFIS) 2023-2028, and the Strategy for Sustainable Development and Inclusive Growth (SSDIG) 2030. This review not only illuminated existing institutional and policy strengths but also highlighted critical gaps and opportunities for aligning MSMEs with Eswatini's climate change and development priorities. Its findings provided valuable direction for designing Eswatini's green roadmap, especially in identifying opportunities for MSMEs to access green finance, adopting low-carbon technologies and contributing to national sustainability targets.

The list of key documents reviewed for the development of Eswatini's green roadmap as well as other supporting national policies, plans, and strategies supporting Eswatini's green transition can be found in Annex 1.

### Mapping Key Stakeholders in the MSME and Green Transition Ecosystem

Eswatini's transition to a green economy through its MSME sector is supported by a diverse range of stakeholders who collectively form a robust ecosystem, contributing in complementary ways to improve MSMEs' access to green finance and align MSME development with green, climate-resilient strategies. An essential part of the diagnostic study involved mapping these stakeholders, which are summarized below:

<sup>12</sup> Green Climate Fund. 2024. Eswatini Country Programme. Available at: <https://www.greenclimate.fund/document/eswatini-country-programme>



Public institutions lead by integrating climate objectives into national development plans, establishing policy and regulatory frameworks, while facilitating access to climate finance. Their efforts ensure that green growth and MSME development are aligned with broader national goals for resilience and sustainability. In Eswatini, the key ministries shaping the green policy and MSME financing agenda are the Ministry of Finance (MoF), the Ministry of Economic Planning and Development, the Ministry of Tourism and Environmental Affairs (MTEA), the Ministry of Natural Resources and Energy and the Ministry of Agriculture.

Regulatory and implementation bodies such as the Centre for Financial Inclusion (CFI), under the MoF (which also led the roadmap's development), spearhead the implementation of financial inclusion and literacy initiatives, essential for green MSME growth, while the Small Enterprises Development Company (SEDCO), Small, Micro, Medium Enterprise (SMME) Unit, and Eswatini Environment Authority contribute through SME policy implementation and environmental regulatory oversight.<sup>13</sup>

The private sector's role is twofold: it delivers co-financing for green initiatives and drives innovation in green technologies and services. Organizations such as Business

Eswatini and the Federation of Eswatini Business Communities promote private sector engagement<sup>14</sup> while financial institutions remain pivotal to scaling green finance.

Academic and research institutions, notably the University of Eswatini (UNESWA) and Eswatini Economic Policy Analysis and Research Centre (ESEPARC), underpin the ecosystem through research, policy advice, and capacity-building that informs public and private sector actions on climate change and renewable energy.<sup>15</sup>

Civil society organizations, NGOs, and development partners play an important role in promoting inclusivity and community engagement, ensuring that green transition efforts reach underserved and rural populations. Through partnerships, advocacy, capacity building, and implementation support, they help to ensure that the benefits of sustainable development are widely shared. In Eswatini, AFI, the United Nations Development Program (UNDP), Food and Agriculture Association (FAO), European Union (EU), and African Development Bank (AfDB), among others, have provided essential technical expertise and funding, reinforcing Eswatini's green transition ambitions.

<sup>14</sup> Green Climate Fund. 2024. Eswatini Country Programme. Available at: <https://www.greenclimate.fund/document/eswatini-country-programme>

<sup>15</sup> Green Climate Fund. 2024. Eswatini Country Programme. Available at: <https://www.greenclimate.fund/document/eswatini-country-programme>

<sup>13</sup> CFI and Cibola Partners. 2024. Roadmap for Greening the SME Sector in Eswatini.

### UNDP and its role in supporting Eswatini's green transition

UNDP works in collaboration with various government ministries and development partners to support Eswatini's transition to a more sustainable, low-carbon, and inclusive economy. From powering health facilities and rural communities with solar energy, to promoting women's entrepreneurship in renewable energy and strengthening disaster risk reduction, UNDP is contributing to transformative change that benefits both the environment and MSMEs. Below are a few examples of projects they have undertaken in collaboration with different stakeholders in Eswatini:

#### Lead Institution(s) Activities Undertaken Impact on Climate and MSMEs

UNDP and Eswatini Meteorological Department Installed 10 Automatic Weather Stations and 8 Hydrometric Stations Strengthened early warning systems and improved disaster preparedness

and climate resilience, which are particularly important for the agricultural sector.

UNDP and MTEA Launched the "Phatsa Sakho Nawe" campaign in November 2020 to reduce the use of single-use plastic bags and raise public awareness about plastic pollution. Helped reduce plastic waste and environmental pollution, supporting SDGs 12, 13, 14, and 15. Also supported income generation for women in the informal sector through the production and sale of reusable bags.

UNDP and Ministry of Natural Resources and Energy Implemented the Powering Gender Equality Project (2023-2024), offering business and clean energy training to 50 rural women across Eswatini's four regions; provided solar starter kits; and supported women-led networks and policy engagement. Promoted women's economic empowerment through entry into the renewable energy sector; boosted clean energy adoption at the community level; and contributed to gender-responsive energy governance and climate resilience for women-led MSMEs.

## Designing a Rigorous Data Collection Process

The data collection process for the diagnostic study was carefully designed to ensure both relevance and rigor in capturing MSME and institutional perspectives on green finance and climate resilience. Two surveys were conducted in early 2024: one targeting MSMEs and the other financial and government institutions. The MSME survey was administered through in-person and phone interviews, while the institutional survey was distributed electronically.

For the MSME survey, a goal-directed sampling strategy ensured representation across key sectors and Eswatini's four regions, with an emphasis on MSMEs significantly affected by climate change. A total of 105 MSMEs participated, providing valuable insights into environmental awareness, business challenges, and support needs. While not statistically representative of Eswatini's entire MSME landscape, the sample offered a credible snapshot of prevailing trends and gaps.<sup>16</sup>

The institutional survey captured responses from eight organizations – five financial institutions and three government agencies – providing complementary views on the enabling environment for green finance.<sup>17</sup>

The findings reveal a mixed but evolving awareness of climate change among MSMEs: 51 percent associate it with sudden weather changes, 25 percent with long-term environmental shifts, and 16 percent recognize human-induced causes. These perceptions influence business priorities and risk management approaches.

# 45%

Challenges are both structural and financial. Over half of respondents (52 percent) cite supply chain disruptions as a key risk, with 45 percent noting higher operating costs due to extreme weather.

Financial barriers are particularly acute: 85 percent lack information on green finance opportunities, while 90 percent are unaware of any existing support mechanisms. Moreover, high interest rates, stringent eligibility criteria, and slow processes further discourage uptake to green finance.

# 90%

Nonetheless, there is clear willingness to transition: 90 percent of MSMEs expressed interest in financial products aligned with climate resilience and compliance requirements.

Preferred instruments include low-interest loans (90 percent), grants (59 percent), and equity (30 percent). A smaller share (35 percent) already holds insurance for climate-related risks, suggesting nascent adoption.

# 42%

Capacity building remains a strong demand area, with 42 percent seeking training in climate resilience.

MSMEs also call for policy incentives such as subsidies and tax breaks yet report limited government engagement and scarce technical assistance.

Most surveyed institutions possess a basic awareness of green business practices and acknowledge the importance of green business practices but note gaps in product development and technical expertise. Nearly two-thirds do not currently offer green finance products and cite regulatory, informational, and technical constraints; half are unaware of peer efforts. This points to a broader need for awareness and institutional capacity building as well as stronger sectoral coordination.

Institutions highlight the need for an enabling policy environment with streamlined regulations and targeted incentives. Key recommendations include government-backed financing schemes, technical assistance, and certification to encourage MSME transition toward sustainable practices.

<sup>16</sup> CFI and Cibola Partners. 2024. Technical report: Greening the SME Sector in Eswatini: Diagnostic Study.

<sup>17</sup> Ibid.



## Identified Barriers and Gaps

While the MoF and other stakeholders have made efforts to mobilize green finance and build MSME capacity, the diagnostic study reveals persistent structural, financial, and institutional barriers listed below:

- 1 Weak Policy and Regulatory Environment for Private Investment:** Fragmented policy frameworks, complex approval processes, limited incentives, and weak public-private partnerships hinder the participation of MSMEs in green finance.<sup>18</sup>
- 2 Institutional Capacity Gaps:** Key actors lack the technical skills and resources to provide localized (“last mile”) climate information services, develop green products, or deliver tailored support to financial institutions, insurers, or MSMEs.<sup>19</sup>
- 3 Overreliance on External Funding:** Public climate spending, which peaked at nine percent of the national budget in 2021-22 but has since declined, in large part due to inflation and volatility,<sup>20</sup> is significantly supplemented by international sources, which contribute over twice as much to green finance as domestic ones, with a primary focus on adaptation and resilience.
- 4 Limited Private Sector Engagement:** The private sector’s role in climate finance is minimal due to a lack of data, limited awareness, and a high perceived risk of green investments. Customized financial instruments are scarce, and current green projects are often too small or context-specific to attract scalable funding.<sup>21</sup>
- 5 Risk Perception and Cost-related Financial Policy Barrier:** Despite a high financial inclusion rate of 87 percent in 2023,<sup>22</sup> rural MSMEs and smallholder farmers remain underserved due to perceived risks and high service costs.<sup>23</sup>

<sup>18</sup> UNICEF. 2022/2023. Unlocking Climate Finance for Sustainable Development in the Kingdom of Eswatini. Available at: [https://www.unicef.org/eswatini/media/1491/file/Eswatini\\_Climate\\_Financing\\_Brief\\_2023.pdf.pdf](https://www.unicef.org/eswatini/media/1491/file/Eswatini_Climate_Financing_Brief_2023.pdf.pdf)

<sup>19</sup> UNICEF. 2022/2023. Unlocking Climate Finance for Sustainable Development in the Kingdom of Eswatini. Available at: [https://www.unicef.org/eswatini/media/1491/file/Eswatini\\_Climate\\_Financing\\_Brief\\_2023.pdf.pdf](https://www.unicef.org/eswatini/media/1491/file/Eswatini_Climate_Financing_Brief_2023.pdf.pdf)

<sup>20</sup> Ibid.

<sup>21</sup> CFI and Cibola Partners. 2024. Roadmap for Greening the SME Sector in Eswatini.

<sup>22</sup> Ministry of Finance. 2023. Eswatini National Financial Inclusion Strategy. Available at: <https://www.afi-global.org/publication/eswatini-national-financial-inclusion-strategy-2023-2028/>

<sup>23</sup> CFI and Cibola Partners. 2024. Technical report: Greening the SME Sector in Eswatini: Diagnostic Study

## Stakeholder Workshops

As part of the diagnostic phase, two stakeholder workshops were conducted to ensure the credibility and relevance of the research. The first was held prior to the data collection to validate the research tools with key stakeholders, including representatives from the government, financial institutions, and MSME support organizations. This step was critical in refining the survey instruments and ensuring they captured context-specific information on MSMEs’ awareness, access, and use of green finance and technologies. Following the data collection and analysis, a second workshop was convened to present and validate the findings of the diagnostic study. Stakeholders provided feedback, clarified key insights, and contributed to refining the recommendations. These workshops enabled inclusive engagement and ongoing learning, reinforcing the alignment of the roadmap with national priorities and the practical needs of MSMEs in Eswatini’s green transition.

## ROADMAP DEVELOPMENT

Following the completion of the diagnostic phase, the groundwork was laid to align the roadmap with Eswatini's development priorities and global sustainability standards in green finance for MSMEs. With this foundation, the roadmap development process was able to commence.

### MSME Classification

As a first step in the roadmap development, the Eswatini MSME green roadmap underscores the need for a more strategic and structured approach to private sector engagement in advancing climate resilience and green growth. It introduces a high-level classification of businesses by their role in the value chain, alignment with the SDGs, and potential impact on green objectives. This framework serves both to guide targeted investment and to inform an ESG scoring model for evaluating the sustainability performance of firms. Importantly, the process of developing the roadmap revealed that such a classification is essential for establishing a baseline to distinguish which MSMEs can be considered "green" and which are not. This baseline provides policymakers and financial institutions with greater clarity to tailor support, channel resources, and monitor progress toward green transformation. The establishment of this high-level classification further highlighted the need for a comprehensive and formalized green finance taxonomy

to provide greater clarity and consistency in guiding investment and policy decisions.

**FIGURE 3.**  
ESWATINI'S HIGH-LEVEL GREEN MSME CLASSIFICATION<sup>24</sup>



<sup>24</sup> CFI and Cibola Partners. 2024. Roadmap for Greening the SME Sector in Eswatini.





## Access to Green Financing

The roadmap underscores that Eswatini faces a substantial financing gap in achieving its climate objectives. The implementation of the country's Nationally Determined Contributions (NDCs) requires significantly more resources than currently available: with climate finance inflows averaging USD80 million annually between 2016 and 2020, Eswatini is projected to face a shortfall of USD 80-100 million per year through to 2030.<sup>25</sup> This gap severely constrains the ability of both government and the private sector, particularly MSMEs, to invest in the transition to a climate-resilient, low-carbon economy. Addressing this challenge is, therefore, central to enabling green growth and strengthening the contribution of MSMEs to the national climate agenda. The roadmap responds by outlining a package of financial, institutional, and policy interventions aimed at expanding access to green finance and mobilizing investment at scale. While the roadmap itself does not specify responsible actors, this report proposes indicative lead stakeholders and supporting institutions for each intervention to facilitate implementation.

**1** A first priority is the **expansion and diversification of green financial instruments**. Beyond grants and concessional loans, Eswatini is exploring tools such as green and climate bonds to attract institutional investors into priority areas such as renewable energy, biodiversity, and waste management. Complementary risk-sharing mechanisms, including green guarantees, climate insurance, and partial credit risk cover, are also emphasized to reduce investment risks and encourage greater private sector participation. Other options include blended finance arrangements, crowdfunding platforms for community-led projects, and the establishment of dedicated national green funds that channel both public and development finance into MSME-driven initiatives.

### > LEAD STAKEHOLDERS:

Ministry of Finance and the Central Bank of Eswatini

### > SUPPORTING INSTITUTIONS:

Commercial banks, Eswatini Development Finance Corporation, insurance companies, capital markets authorities, and international partners (e.g. World Bank, AfDB, GCF)

**2** A second priority is **strengthening the role of regulators, policymakers, and financial institutions** in creating an enabling environment.

The Central Bank, Ministry of Finance, and Financial Services Regulatory Authority have critical mandates to establish green finance policies, reporting standards, and fiscal incentives, while ensuring transparency and accountability in emerging green markets. Financial institutions, banks, insurers, and DFIs, are tasked with designing tailored products such as green loans, bonds, and insurance instruments, supported by improved risk assessment methodologies and enhanced technical expertise in climate finance.

The roadmap also recognizes the importance of regional integration to build financial infrastructure. Given Eswatini's small market size and limited financial depth, regional platforms – particularly through collaboration with South Africa and SADC – are seen as viable pathways for establishing green bond markets, stock exchange listings, and clean-tech venture capital ecosystems. Pooling resources across the region would not only create larger and more attractive markets for investors but also enable knowledge-sharing and alignment with international standards.

### > LEAD STAKEHOLDERS:

Ministry of Finance, Ministry of Commerce, Industry, and Trade, and supporting institutions

### > SUPPORTING INSTITUTIONS:

SADC Secretariat, South African Reserve Bank, Johannesburg Stock Exchange, and regional development banks

Finally, the roadmap highlights the role of **public-private partnerships (PPPs)** and institutional coordination. Stronger collaboration between government, state-owned enterprises, development banks, MSMEs, and private investors is essential for scaling renewable energy deployment and resilience-building projects. Effective PPP frameworks are needed to pool resources, share risks, and deliver sustainable outcomes. To anchor this coordination, **the roadmap designates the Centre for Financial Inclusion (CFI), under the Ministry of Finance, as the lead institution**, with responsibilities for embedding green finance across broader economic and sectoral planning.

**Supporting institutions** may include the Ministry of Commerce, Industry, and Trade; Ministry of Natural Resources and Energy; Central Bank of Eswatini; Eswatini Environmental Authority; Eswatini Investment Promotion Authority; private sector associations; utilities; and NGOs.

<sup>25</sup> AfDB. 2024. Country Focus Report 2024 - Eswatini - Driving Eswatini's Transformation the Reform of the Global Financial Architecture. Available at: <https://www.afdb.org/en/documents/country-focus-report-2024-eswatini-driving-eswatini's-transformation-reform-global-financial-architecture>

## Capacity Building as a Catalyst for Green MSMEs

Building capacity for green entrepreneurship and climate-related risk management is essential to overcoming the knowledge and skills gaps that hinder MSMEs in Eswatini from participating in a green economy.

To address these challenges, long-term capacity development programs are needed, focusing on green

business development in parallel with (digital) financial and business literacy. Training, mentorship, and vocational-industry partnerships can bridge the skills gap, while climate risk assessment tools along with active dialogue between financial institutions and climate experts, can improve understanding of green project risks and returns. Engaging with private sector associations, regional forums, and international partners will further enable knowledge exchange, peer learning, and access to global best practices.

### Eswatini: “Promoting growth through competitive alliances” program

The “Promoting Growth Through Competitive Alliances” project in Eswatini, launched in October 2020 and running through October 2025, is a collaborative initiative by the International Trade Centre (ITC), the European Union (EU), and the Government of Eswatini. With a budget of USD5.63 million, the project aims to enhance the competitiveness and sustainability of Eswatini’s MSMEs, social enterprises, and producer associations. It focuses on strengthening support institutions, establishing public-private alliances, and improving access to finance and investments. The project employs the ITC’s “Alliances for Action” methodology, which brings together public

and private actors to promote competitiveness and income-risk diversification among value chain actors, including MSMEs, social enterprises, producer associations, and smallholder farmers.

The project has made significant strides in advancing sustainable economic development in Eswatini. As of late 2024, it had created approximately 2,200 full-time jobs and improved incomes for over 6,000 entrepreneurs, farmers, and artisans. The initiative has also indirectly benefited more than 18,000 individuals by enhancing value chain linkages and promoting sustainable practices. **By focusing on inclusive growth and capacity building, the project supports Eswatini’s broader development goals, including poverty reduction and economic diversification.**





## Full-Cost Accounting as a Tool for Climate-Resilient Economies

In Eswatini’s journey toward sustainable development, full-cost accounting (FCA) serves as a critical tool for responsibly managing natural resources. FCA helps businesses, utilities, and public institutions, particularly MSMEs, factor in the true environmental and economic costs of resource use, thereby encouraging more resilient, efficient, and climate-aware decision-making.

Globally, many corporations have already embraced FCA as a core part of their sustainability strategies. This shift **acknowledges the real cost of natural capital** and supports **greener, more climate-resilient economies**, a model Eswatini can tailor and adopt. To this end, the roadmap highlights the importance of FCA and summarizes the key measures and benefits of implementing FCA as described in the following table:

TABLE 1. KEY MEASURES AND IMPLEMENTING ROLES FOR FCA

IMPLEMENTING ENTITY	MEASURE	DESCRIPTION	BENEFITS
Utilities, MoF, Ministry of Natural Resources and Energy (MNRE)	Cost Accounting and Pricing	Adopting pricing strategies that account for the full costs of managing natural resources, helping to prevent unsustainable practices often encouraged by underpriced or subsidized utility services.	Boosts revenue and encourages sustainable consumption and resource efficiency.
Utilities, water providers, MNRE, Eswatini Environment Authority (EEA)	Adaptation Pricing	Integrate climate-related risks into utility pricing by applying full-cost accounting methods, such as smart metering and differentiated rates.	Enhanced resilience through the inclusion of climate risks, enabling more informed and strategic planning based on data-driven pricing adjustments.
Utilities, MoF, infrastructure providers, DFIs, development partners	Capex/Opex Overhaul	Invest in metering infrastructure and pricing systems to support FCA practices.	Attracts investment in infrastructure and improves sustainability through modernized systems.
MNRE, utilities, municipalities	Transaction Costs	Adjust contracts (e.g. for ecosystem services) to reflect updated FCA-aligned pricing models.	Improves price-efficiency in ecosystem services contracts and better aligns them with environmental goals.
EEA, academia, international donors	Research and Enforcement	Invest in data collection, research, and training for enforcement of new pricing strategies.	Enables data-driven policy and utility decisions, and strengthens regulatory compliance and capacity building.

### Potential Risks and Mitigation of FCA:

One potential downside of FCA is the risk of reduced affordability of essential services like water, particularly for low-income households. This can be addressed through social protection mechanisms such as: tiered pricing models (e.g. affordable basic water use, higher rates for excessive use), subsidies, or free access for essential needs. Such approaches balance resource conservation with equity and inclusion.

### Action Plan for Greening MSMEs in Eswatini

To support small and medium-sized enterprises (SMEs) in Eswatini in advancing environmental sustainability, **a structured five-step action plan has been developed.** This framework offers locally tailored guidance to help businesses assess their current operations, set measurable goals, and implement practical green strategies aligned with Eswatini's specific environmental and economic context.

The plan emphasizes both **operational improvements** – such as reducing energy and water use – and **behavioral shifts**, including employee engagement and transparent stakeholder communication. Tools such as audit templates, goal-setting guides, and training modules enable SMEs to make informed decisions and embed sustainability into their business models. **Collaboration across the value chain is encouraged to ensure that suppliers and customers are part of the green transition.** For this plan to succeed, SMEs must take a proactive approach by acquiring the necessary expertise and resources to integrate sustainability into their core strategies, thereby strengthening resilience and competitiveness.

The successful development and implementation of Eswatini's Green Transition Roadmap for MSMEs hinges on a phased and structured approach, with clear milestones that reflect collaborative stakeholder engagement, ongoing learning, and iterative strategy refinement.

TABLE 2. SUMMARY OF GREEN TRANSITION STEPS FOR MSMEs IN ESWATINI<sup>26</sup>

STEP	ACTION	PURPOSE	KEY TOOLS & RESOURCES	ESWATINI-SPECIFIC FOCUS
1	Conduct a Green Audit	Assess current operations and environmental gaps	Energy, water, and waste audit templates; sector-specific checklists	Focus on water use in agriculture, energy in manufacturing, and local resource issues
2	Develop a Green Strategy	Set measurable sustainability goals	SMART goals, resource planning templates	Emphasize solar energy and water conservation, and align goals with national sustainability needs
3	Implement Green Practices	Integrate sustainability into operations	Guides on renewables, supply chain optimization, waste reduction	Target key sectors and use local renewable energy providers
4	Employee Engagement and Training	Build internal knowledge and motivation	Bilingual training modules, green team frameworks	Deliver training in English and Siswati
5	Customer and Supplier Engagement	Promote sustainability through communications	Communication guides, green marketing toolkits	Leverage local media and community events to boost awareness

<sup>26</sup> CFI and Cibola Partners. 2024. Roadmap for Greening the SME Sector in Eswatini.



The roadmap is currently in the preliminary concept stage and requires further development and finalization by technical and financial stakeholders, including the banking sector, government agencies, international donors, and private sector entities in Eswatini. Several proposed ideas, components, and expected outcomes will need to be refined and formally agreed upon following the identification of Eswatini's green project partners.

Over the first three months, the focus will be on scoping the roadmap's objectives, aligning resources, and setting preliminary reporting and monitoring requirements. Simultaneously, regional coordination will begin with identifying key international and regional partners that can participate in learning exchanges and provide capacity-building support.

Between months three and six, strategic sectoral engagement will take center stage, with the launch of stakeholder mapping, sector reviews, and early engagement planning.

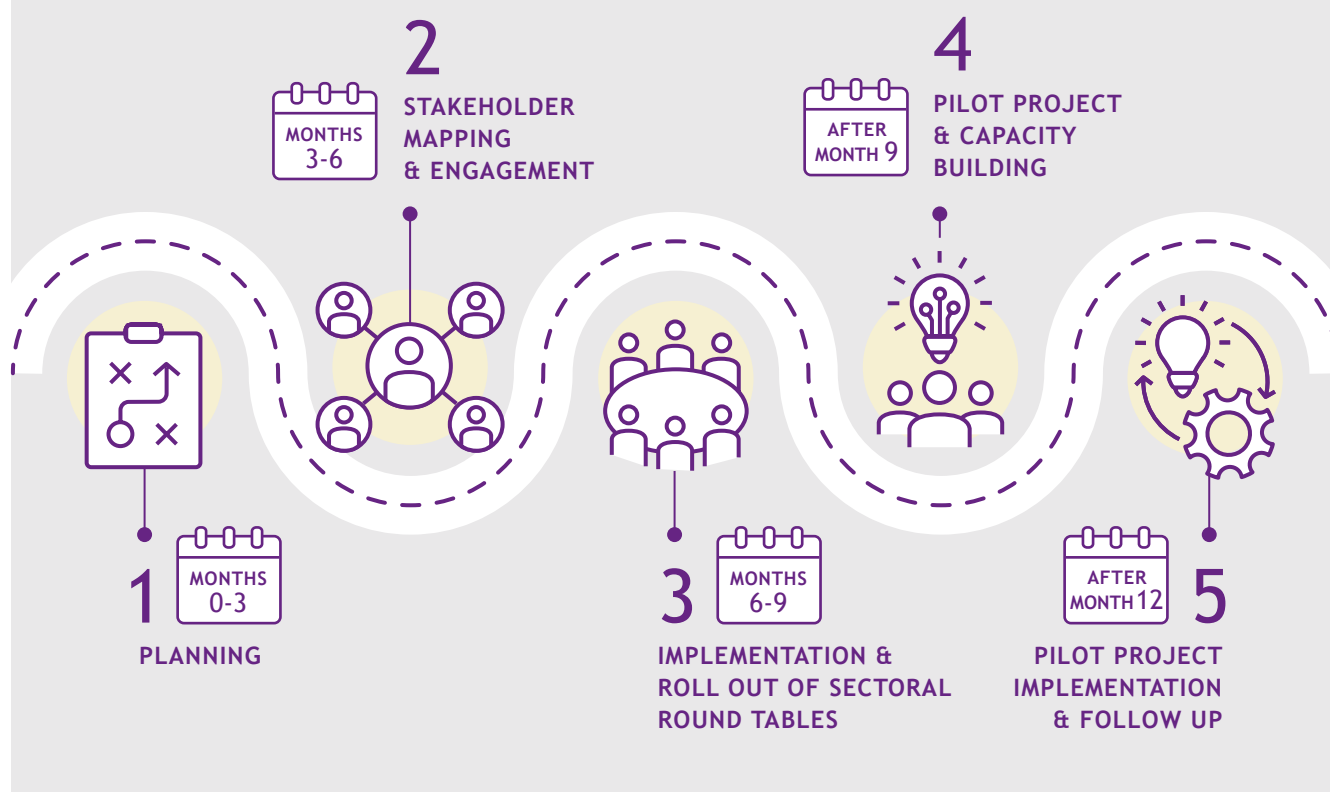
Roundtable discussions, organized per sector, will facilitate dialogue around governance, technology,

financing, and capacity development, forming the basis for targeted pilot project design. These discussions will evolve into bi-monthly sessions to maintain momentum and monitor progress.

From month six onward, the roadmap will shift into more operational phases. Pilot projects will be refined and submitted for prioritization, while dedicated capacity-building programs will be implemented. Stakeholders will begin tracking project implementation and capturing lessons learned, which will feed into the broader development of sector-specific project pipelines. Reporting and monitoring mechanisms will also be strengthened, ensuring alignment with Eswatini's national development priorities and global commitments such as the SDGs.

Beyond the 12-month mark, attention will turn to continuous evaluation, reporting, and regional engagement, with Eswatini sharing progress, scaling successes, and reinforcing its commitment to a green MSME economy. This structured yet flexible timeline ensures that the roadmap remains adaptive, locally relevant and responsive to stakeholder input.

**FIGURE 4. STEPS TO ENGAGE MSMES AND DEVELOP PILOT GREEN PROJECTS IN ESWATINI**



## Monitoring and Evaluation Framework

The roadmap highlights the importance of establishing a Monitoring and Evaluation (M&E) framework to help MSMEs track their progress in adopting greener practices. This framework is intended as a self-assessment tool for MSMEs, rather than a mechanism for monitoring the implementation of the roadmap itself.

At the heart of the M&E approach is the development of Key Performance Indicators (KPIs) tailored to the sustainability goals of each business. These KPIs focus on clear, measurable outcomes such as reductions in energy use, waste generation, and carbon emissions, enabling MSMEs to assess how their actions are improving their environmental performance over time.

To ensure these efforts reflect the true environmental impact, the framework recommends aligning KPIs with Financial, Climate, and Adaptation (FCA) principles, which help capture the value of ecosystem services. Tools like energy meters and carbon calculators can make it easier for MSMEs to collect accurate data and monitor progress. Regular internal reviews and, where possible, public reporting help ensure transparency and informed decision-making.

The M&E framework also supports the integration of green practices into certification schemes, helping MSMEs meet environmental standards more efficiently. By embedding climate-related indicators into certification processes, MSMEs can reduce duplication of effort, spot gaps in implementation, and build resilience to future climate risks.

Finally, the framework encourages feedback loops and benchmarking so businesses can continuously improve by learning from others and adjusting their strategies as needed. Regular assessments, looking at both environmental and financial results, provide a clear picture of how green initiatives contribute to business success and strengthen the case for continued investment in sustainability.

## Peer Learning on Greening MSMEs

Peer knowledge exchange plays a critical role in accelerating policy innovation among AFI members.

**As part of the roadmap development process**, Eswatini and Zambia engaged in a Peer Learning Exercise (PLE) hosted by the Central Bank of Egypt under AFI's Joint Learning Program. From 19-23 October 2024, twenty-two delegates, eleven from each country, participated in a three-day program featuring site visits and exchanges with regulators, financial institutions, and innovation hubs, including the Credit Guarantee Company, the Egyptian Credit Bureau, and the NilePreneurs Institute. The exercise offered participants a firsthand view of Egypt's coordinated, policy-driven approach to MSME development and highlighted how, in each country, integrated strategies can support the greening of MSMEs.

For Eswatini and Zambia, where MSMEs form the backbone of the economy and provide vital income opportunities, the exchange was both timely and relevant. MSMEs in both countries remain highly vulnerable to climate shocks, and the lessons from Egypt underscored how a smart combination of regulation, finance, and data systems can help turn these vulnerabilities into opportunities for inclusive green growth.

### Several cross-cutting lessons emerged:

- Effective coordination across ministries, regulators, and private sector institutions ensures that MSME support is aligned and coherent.
- Aligning national frameworks with global climate and sustainability goals creates consistency and attracts external investment.
- Financial incentives such as subsidized loans and dedicated credit guarantees lower risk and open new markets for MSMEs.
- Robust data systems improve transparency and reduce information asymmetries.
- Capacity building initiatives, ranging from ESG training to simplified MSME registration, equip both institutions and entrepreneurs with the skills needed to succeed in a green economy.

Country-specific takeaways were also identified. For Eswatini, these included strengthening inter-institutional coordination to reduce fragmentation, establishing a dedicated credit guarantee scheme and tailored incentives to expand access to affordable finance, scaling up ESG training and financial literacy programs to



address capacity gaps, and enhancing national data systems to support MSME lending and track green finance flows. Integrating these insights into Eswatini's roadmap ensured that peer learning was not a standalone exercise but a catalyst for adapting proven international practices to the country's own institutional and economic context.

At its core, peer learning is not about replicating another country's model but about adapting proven practices to local contexts. Egypt's example shows that when regulation, financial incentives, and capacity building advance together, MSMEs can shift from being highly exposed to climate risks to becoming active drivers of sustainable and inclusive green growth. For Eswatini and Zambia, integrating these insights into their respective roadmaps ensured that peer learning was not a separate activity but an integral part of roadmap development and refinement.

## IMPLEMENTATION, MONITORING AND EVALUATION FRAMEWORK

The implementation phase operationalizes the action plan through demonstration projects, training, and regulatory reforms, supported by international expertise and financing.

In Eswatini, the Centre for Financial Inclusion, in partnership with UNDP, is already advancing this agenda by recruiting technical support, expanding advisory services, and developing a pipeline of green MSME projects. Monitoring relies on continuous feedback loops to track progress, strengthen resilience, and enable course correction. A key innovation is Eswatini's MSME Self-Assessment Tool, which provides tailored KPIs to measure green transition performance, empowering both firms and policymakers to monitor impact and drive continuous improvement.



Impact story  
video

Greening  
Eswatini's MSME  
sector



# CASE STUDY: MINISTRY OF FINANCE & NATIONAL PLANNING ZAMBIA



## ZAMBIA AT A GLANCE

### DEMOGRAPHIC INFORMATION



**19,610,769**

of which women represent

POPULATION

**50.5%** (2022)



**60%**

(2022)

RURAL POPULATION



**87.5%**

(2020)

ADULT LITERACY RATE

### SOCIO-ENVIRONMENTAL AND INFRASTRUCTURE INFORMATION



**0.39%**  
metric tons  
(2023)

CO<sub>2</sub> EMISSIONS PER CAPITA



**59.8%**  
(2022)

FOREST COVER (% of land area)



**51.1%**  
(2023)

ACCESS TO ELECTRICITY

### ECONOMIC INFORMATION

**64.3%** (2022)

% OF THE POPULATION  
BELOW THE POVERTY LINE

**69.4%** (2020)

FINANCIAL INCLUSION

**67.9%** (2020)

FINANCIAL INCLUSION  
FEMALE

**70%** (2021)

MSMEs CONTRIBUTION  
TO GDP



# INTRODUCTION

## Context and Background

**97%** Micro, Small, and Medium Enterprises (MSMEs) comprise about 97 percent of all registered businesses and are key drivers of economic growth in Zambia.<sup>28</sup>

They account for approximately 70 percent of the country's gross domestic product (GDP) and 88 percent of employment.<sup>29</sup> Notably, the sector is characterized by a high level of female participation, with women owning 60.9 percent of MSMEs, compared to 39.1 percent owned by men.<sup>30</sup> Furthermore, a significant proportion, 62.7 percent of these enterprises, operate within the agriculture, forestry, and fishing sectors, underscoring the close linkage to Zambia's natural resource base and rural economy.<sup>31</sup>

MSMEs significantly contribute to Zambia's economy, but their expansion remains hampered by limited formal credit access, a challenge rooted in pervasive informality. According to the 2022 MSME Finance Survey Report, 95.6 percent of MSMEs operate without legal documentation, which restricts their ability to engage with financial institutions and benefit from policy interventions aimed at supporting enterprise growth.<sup>32</sup> As a result, the vast majority of MSMEs, 69.3 percent, rely on personal savings to start their businesses, with only 3.3 percent accessing funds through banks, microfinance institutions, NGOs, or savings groups.<sup>33</sup>

<sup>28</sup> See the [Revised 2023 National MSME Development Policy](#) for the MSME definition for Zambia

<sup>29</sup> MSMED. 2023. Revised National MSME Development Policy. 2023. Available at: <https://www.msme.gov.zm/wp-content/uploads/2023/12/2023-MSME-POLICY-FOR-MSMED.pdf>

<sup>30</sup> Idem.

<sup>31</sup> Idem.

<sup>32</sup> Bank of Zambia. 2022. MSME Finance Survey Report 2022. Available at: [https://www.boz.zm/2022\\_MSME\\_Finance\\_Survey\\_Report.pdf](https://www.boz.zm/2022_MSME_Finance_Survey_Report.pdf)

<sup>33</sup> Idem.

## Impact of Climate Change in Zambia

Climate change exacerbates existing vulnerabilities and creates new challenges for MSMEs, particularly those operating in rural areas and engaged in the agriculture, forestry, and fishing industries.<sup>34</sup> Increased frequency of extreme weather events, such as droughts, storm floods and heat waves, disrupt business operations, damage infrastructure, and reduce crop yields, leading to financial losses and increased costs for MSMEs.

**61.5%** According to the MSME 2022 survey findings, 61.5 percent of MSMEs in rural areas reported climate change as the primary challenge in running their business compared to 38.5 percent of MSMEs in urban areas.

Additionally, most MSMEs lack the capacity to assess, identify, and implement measures that enhance resource efficiency and reduce environmental pollution.<sup>35</sup> With 95.6 percent of MSMEs operating in the informal sector<sup>36</sup> and predominantly owned by women (60.9 percent), their limited access to banking (only 4.7 percent have a bank account) and insurance (0.5 percent) increases their vulnerability to climate-related shocks. Consequently, MSMEs struggle to maintain business continuity and growth, highlighting the urgent need for green financing and adaptation strategies to strengthen their resilience to climate change.

<sup>34</sup> Bank of Zambia. 2022. MSME Finance Survey Report. 2022. Available at: [https://www.boz.zm/2022\\_MSME\\_Finance\\_Survey\\_Report.pdf](https://www.boz.zm/2022_MSME_Finance_Survey_Report.pdf)

<sup>35</sup> Cabinet Office - GoZ. 2024. NGGS 2024-2030. Available at: <https://www.cabinet.gov.zm/newsite/wp-content/uploads/2024/04/2NATIONAL-GREEN-GROWTH-STRATEGY-2024-2030-6.pdf>

<sup>36</sup> Bank of Zambia. 2022. 2022 MSME Finance Survey Report. Available at: <https://www.boz.zm/FinScope-2020-Survey-Report.pdf>

## OBJECTIVES OF ZAMBIA'S GREEN ROADMAP FOR MSMEs

The Roadmap for Greening MSMEs in Zambia 2025 (the roadmap)<sup>37</sup> provides a strategic framework to support the transition of MSMEs toward environmentally sustainable and climate-resilient business models. Developed under the leadership of the Ministry of Finance and National Planning (MoF), in collaboration with the Ministry of Green Economy and Environment (MGEE), the Ministry of Small and Medium Enterprise Development

<sup>37</sup> The Government of Republic of Zambia's "Roadmap for Greening MSMEs in Zambia" is yet to be published at the time of drafting this case study.

(MSMED), the Bank of Zambia (BoZ), with technical support from AFL, the roadmap identifies policy, market, and institutional gaps and opportunities to support the transition to green practices for MSMEs.

The roadmap provides strategies and an implementation plan across four thematic areas (**Figure 5**).

The roadmap is aligned with Zambia's National Green Growth Strategy (GGs) (2024-2030),<sup>38</sup> its Eighth National Development Plan, and its international commitments under the Paris Agreement and Revised National Determined Contributions (2021).

<sup>38</sup> Republic of Zambia. 2024. National Green Growth Strategy 2024-2030. Available at: <https://www.cabinet.gov.zm/newsite/wp-content/uploads/2024/04/2NATIONAL-GREEN-GROWTH-STRATEGY-2024-2030-6.pdf>

**FIGURE 5. KEY THEMATIC AREAS OF THE GREEN ROADMAP FOR MSMEs IN ZAMBIA**



**POLICY &  
REGULATORY  
FRAMEWORK**



**IMPROVING MARKET  
& SUPPLY CHAIN  
FRAMEWORKS**



**TECHNOLOGICAL  
& INFRASTRUCTURE  
SUPPORT FOR  
GREENING MSMEs**



**SKILLS, KNOWLEDGE  
& AWARENESS FOR  
GREENING MSMEs**



## DIAGNOSTIC STUDY

During the diagnostic phase, a comprehensive assessment was undertaken to understand the ecosystem for greening MSMEs in Zambia.

This involved multiple methodologies: Content Analysis of policies, strategies, and initiatives on sustainable finance; Thematic Analysis of qualitative data from key informant interviews; Quantitative Analysis of survey data from MSMEs and financial institutions; and a Green Financing Gap Analysis to identify the finance gap based on the economic analysis of the demand for and the supply of finance for greening MSMEs.<sup>39</sup>

### Reviewing Existing Green Finance Initiatives and Policies

An analysis of key policy frameworks on MSMEs and sustainability in Zambia was conducted to assess the effectiveness of existing legislation and strategies for promoting sustainable practices among MSMEs.

Zambia has positioned MSMEs as central to its national development agenda given their important role in economic growth, job creation, and poverty reduction as provided in the Eighth National Development Plan (8 NDP) (2022-2026).<sup>40</sup> The MSMED leads the implementation of the Revised National MSME Development Policy (2023) which aims to strengthen entrepreneurship, improve financial access, and boost MSME productivity and competitiveness.

Zambia is advancing its green growth agenda through the National Green Growth Strategy (GGS) (2024-2030) and the eighth NDP. The GGS integrates sustainability across economic activities, with Pillar 4 supporting MSMEs through green business services, technology promotion, and access to affordable green finance. This reflects a holistic policy approach aimed at enabling MSMEs to contribute to Zambia's transition to a low-carbon, resource-efficient, and climate-resilient economy, while improving their long-term sustainability and market opportunities.

Please see Annex 2 for more information on the analysis performed.

<sup>39</sup> Gap Analysis for Greening MSMEs in Zambia 2025.

<sup>40</sup> Government of Zambia - Cabinet Office. 2024. National Green Growth Strategy 2024-2030. Available at: <https://www.cabinet.gov.zm/newsite/wp-content/uploads/2024/04/2NATIONAL-GREEN-GROWTH-STRATEGY-2024-2030-6.pdf>

### Mapping Key Stakeholders in the MSME and Green Transition Ecosystem

Zambia's transition to a climate-resilient economy through its MSME sector is supported by a diverse network of stakeholders whose roles intersect across policy, finance, innovation, and capacity building. Together, they form a collaborative ecosystem essential for enabling inclusive green growth.

Public institutions set the strategic direction for greening the economy. The Ministry of Green Economy and Environment (MGEE) leads the formulation of key frameworks such as the National Green Growth Strategy (2024-2030) and the National Adaptation Plan (2023), which embed climate priorities into MSME development. The Zambia Development Agency (ZDA) promotes MSME competitiveness through investment incentives and support, while the Zambia Environmental Management Agency (ZEMA) ensures environmental compliance through EIAs and helps position MSMEs to benefit from green finance instruments.

Financial sector regulators have laid a strong foundation for mobilizing green finance. The Bank of Zambia's Green Loans Guidelines (2023)<sup>41</sup> require financial institutions to prioritize sustainable lending, while the Securities and Exchange Commission (SEC) facilitates climate-aligned investments through green bond guidelines. This has enabled successful issuances such as the USD200 million green bond by Copperbelt Energy Corporation.<sup>42</sup>

Private sector actors contribute both innovation and delivery capacity to MSMEs. Enterprises such as Green Recycling and GREEN Tech4CE offer MSMEs access to sustainable technologies, technical assistance, and value chain integration, helping drive the market for green goods and services.<sup>43</sup>

Development partners play a catalytic role through financing, technical assistance, and policy support. UNDP, the World Bank, AfDB, and AFI have backed several national green finance initiatives; their support is

<sup>41</sup> Mulenga Mundashi Legal Practitioners. Zambia Takes Pioneering Steps: The Green Loans Guidelines, 2023. 2023. Available at: <https://mmlp.co.zm/wp-content/uploads/2023/10/Zambia-Takes-Pioneering-Steps-The-Green-Loans-Guidelines-2023-.pdf>

<sup>42</sup> Biofin. 2023. Footprints of the Biodiversity Initiative (BIOFIN) in Zambia's Green Bond Issuance: A Win for Greening Zambia's Financial Sector. Available at: <https://www.biofin.org/news-and-media/footprints-biodiversity-finance-initiative-biofin-zambias-maiden-green-bond-issuance>

<sup>43</sup> Delegation of the European Union to Zambia and COMESA. 2025. Green Recycling Enterprises Engaging in New Technology for a Circular Economy in Zambia (Green Tech4CE). Available at: [https://www.eeas.europa.eu/delegations/zambia/green-recycling-enterprises-engaging-new-technology-circular-economy-zambia-green-tech4ce\\_en?s=128](https://www.eeas.europa.eu/delegations/zambia/green-recycling-enterprises-engaging-new-technology-circular-economy-zambia-green-tech4ce_en?s=128)



particularly focused on MSME-led projects that promote renewable energy, sustainable agriculture, and climate resilience. The UNDP-led BIOFIN Zambia program has been particularly instrumental, supporting tools such as the Green Finance Taxonomy, the National Green Finance Strategy, and market development for green bonds.<sup>44</sup>

Academic and research institutions underpin the ecosystem with knowledge and capacity development. The University of Zambia, through the Climate Compatible Growth Network, engages with public and private actors to advance climate-resilient strategies. ZIPAR supported the MSME roadmap with evidence-based policy advice.

This collaborative, multi-stakeholder approach lays the foundation for scaling green MSME development in Zambia and aligning economic growth with climate and sustainability goals.

## Designing a Rigorous Data Collection Process

Two questionnaires were designed to gather insights under the Gap Analysis for Greening MSMEs in Zambia: one for the Thematic Analysis of qualitative data and another for Quantitative Analysis of survey data from MSMEs.

For the **thematic** analysis, a Key Informant Interview (KII) guide was developed to gather qualitative data to assess the effectiveness of existing green finance policies, identify challenges, gaps, and explore barriers as well as potential opportunities for greening MSMEs.

For the **quantitative** analysis, a survey questionnaire was designed to collect data from MSMEs to assess financing needs, gaps and barriers, perceptions towards green finance products, and the adoption of green technologies by MSMEs.

The MSME survey, along with KIIs and stakeholder consultations, were administered across three provinces in Zambia — Lusaka, Copperbelt, and Southern — chosen for their substantial MSME presence. A total of 210 MSMEs were surveyed utilizing purposive sampling to achieve representative coverage across a range of industries and yielded a response rate of 87.76 percent. The KIIs and stakeholder consultations were conducted with representatives from government

ministries and agencies, banking and non-banking financial institutions, the private sector, and development partners.<sup>45</sup>

## Demand Side Insights

> **Low Awareness of Green Initiatives and Green Finance:** MSMEs in Zambia exhibit notably low awareness of green finance and sustainable business practices with 93 percent of MSMEs unaware of government-led green initiatives, while 87 percent lacked an understanding and awareness of green finance products or service providers in their locality. Additionally, 46.67 percent considered green finance as a relatively new concept, highlighting the need for greater outreach and education.

> **Challenges faced by MSMEs in adopting sustainable practices:** MSMEs cited numerous challenges in adopting sustainable business practices, primarily due to financial constraints, lack of technical expertise, and regulatory barriers. The gap analysis found that 42.7 percent of MSMEs identified high costs of green technologies as a key barrier, followed by 20.79 percent citing lack of financing.

> **Willingness to Adopt Green Practices:** While MSMEs in Zambia recognize the benefits of sustainable business practices, their willingness to adopt green technologies is often hindered by perceived financial risks and uncertainty regarding returns on investment. A significant skills and knowledge gap among MSMEs prevents them from fully understanding the long-term advantages of green economy practices.

**40%** Around 40 percent of MSME owners expressed the need for financial assistance to adopt greener practices, highlighting the necessity of accessible green financing options.

Source: Gap Analysis for Greening MSMEs in Zambia 2025

> **Access to Finance and Limited Investment Capacity:** Limited access to finance remains a key barrier to MSMEs seeking to adopt green practices. Survey data shows that 76 percent of MSMEs rely on self-financing, while only 19 percent access bank loans — limiting their ability to afford the high upfront costs of green

<sup>44</sup> Biofin. 2024. BIOFIN Zambia is driving the transformation of green finance with the launch of three key financial solutions. Available at: <https://www.biofin.org/news-and-media/biofin-zambia-driving-transformation-green-finance-launch-three-key-financial>

<sup>45</sup> Gap Analysis for Greening MSMEs in Zambia 2025.

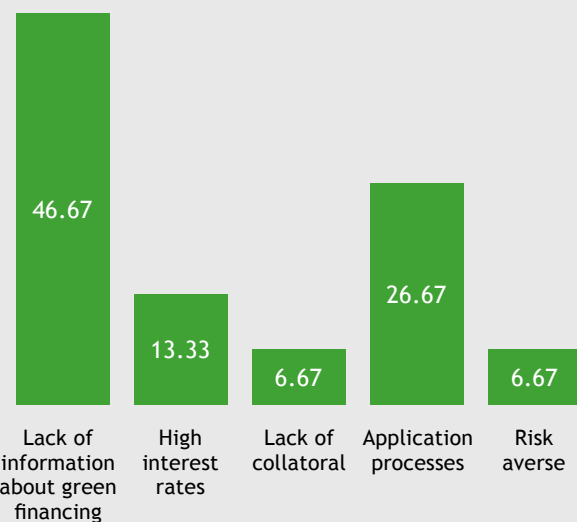
technologies. Most MSMEs with annual revenues below ZMW1,000,000 (USD3,593) lack the capacity to invest in green projects. The green investments that have occurred have been small-scale and largely limited to basic solar installations for lighting production facilities.

## Supply Side Insights

### > Supply-side Constraints in Green Finance for MSMEs:

The gap analysis results show that green financing in Zambia remains underdeveloped with supply side barriers, such as limited information on green financing, complex credit application processes, high interest rates, lack of collateral, and financial institutions' risk aversion to MSMEs, clearly emerging in the survey results.

**FIGURE 6.**  
ACCESS BARRIERS TO GREEN FINANCE IN ZAMBIA (%)



Source: Gap Analysis for Greening MSMEs in Zambia 2025

“Green finance efforts in Zambia are often disjointed and uncoordinated, limiting their impact. While the country has several initiatives, they remain fragmented, lacking a centralized coordination mechanism. Policies tend to focus on individual sectors rather than embracing a holistic strategy.”

KII, Focus Group Discussion

### > Gaps in Policies and Regulations for Greening

**MSMEs:** Policy and regulatory gaps include limited MSME-specific strategies, weak integration of green financing integration, limited enforcement of environmental standards, fragmented institutional coordination, and undefined ‘climate finance’ and green finance, among others.

## Identified Barriers and Gaps

The diagnostic study, which formed the basis of the roadmap, highlighted seven key thematic areas where MSMEs in Zambia face significant barriers to greening their operations: weak policy and regulatory integration, limited market access, behavioral hesitations, technological constraints, structural inequalities, skills and knowledge gaps, and environmental and economic pressures. These gaps underscore the need for targeted policies and tailored support measures to enable a smoother transition toward sustainable, low-carbon, and climate-resilient business practices.

## Stakeholder Workshopss

Two validation workshops were convened under the leadership of the Ministry of Finance, bringing together representatives from a wide range of institutions, including the Bank of Zambia (BoZ), Securities and Exchange Commission (SEC), Ministry of Green Economy and Environment (MGEE), Ministry of Agriculture, Ministry of Small and Medium Enterprise Development (MSMED), Zambia Association of Manufacturers, AFI, and PHB Development.

The purpose of these workshops was to present and refine both the draft diagnostic study (gap report) and the draft roadmap. Discussions proved dynamic and constructive, with stakeholders stressing the importance of embedding gender-responsive and sector-specific approaches to ensure that informal businesses and women-led MSMEs are fully considered in the roadmap.

This feedback was instrumental in strengthening the documents, with intensive dialogue not only identified key gaps but also helped integrate practical solutions and ensure necessary revisions. As a result, the final gap report and the roadmap better reflect Zambia's realities, align with stakeholder expectations, and enhance the likelihood of adoption by the Government of Zambia and other key actors.

## ROADMAP DEVELOPMENT

The diagnostic study provided the analytical foundation for the roadmap, identifying critical policy, financial, market, and capacity gaps that hinder MSMEs' green transition while also highlighting opportunities in emerging green sectors.

Despite persistent financial, capacity, and supply-side challenges, MSMEs demonstrated strong interest in accessing support mechanisms such as financing, technology, and climate insurance. The study further pinpointed high-potential sectors for green growth, including renewable energy, the circular economy, green consulting, and eco-friendly services. Building on these insights, the preparatory phase ensured that the roadmap was aligned with Zambia's national development priorities and international sustainability benchmarks in green finance for MSMEs, thereby establishing a robust platform for its subsequent development.

### Building a Supportive Ecosystem for a Green Transition

A strong and coordinated policy environment is key to driving the green transition of MSMEs in Zambia. While existing policies such as the Climate Change Act, the National Green Growth Strategy, and the Green Finance Framework provide an important foundation, persistent challenges – ranging from fragmented regulations and weak institutional coordination to limited incentives and low awareness among MSMEs – continue to constrain progress.

To overcome these barriers, the roadmap calls for an integrated approach that combines policy reform with financial, technological, and behavioral interventions (the detailed objectives and actions can be found in Annex 3). By promoting stakeholder collaboration and inclusive implementation, these recommendations aim to strengthen MSME competitiveness, promote sustainable growth, and ensure that Zambia's green transition is both effective and equitable.

## Key Interventions Identified in the Roadmap

### 1 Policy and Governance

#### **Integrating Green Goals into MSME Policies:**

Existing MSME policies should explicitly include sustainability objectives. Aligning them with Zambia's green growth agenda will remove structural barriers and create incentives for eco-friendly practices. Stronger coordination across ministries is essential to ensure sustainability becomes a central priority.

### 2 Finance and Incentives

> **Introduce Financial Incentives:** Deploy tax relief, grants, and subsidies to encourage green adoption. Establish a Green Finance Unit within the Ministry of Finance improve coordination, streamline access to funds, and align Zambia with international best practices.

> **Bridge the Green Finance Gap:** Access to finance remains a major hurdle. National Green Funds, accelerator programs, and tailored financial products (e.g. green bonds, concessional loans, credit guarantees) are needed. At the same time, financial institutions must build capacity to better understand and deliver green finance solutions. Annex 4 provides a comprehensive list of potential green funding sources, including funding institutions, types of financial support, eligible green projects, and step-by-step guidance for MSMEs on how to access these funds.

### 3 Behavioral and Market Transformation

#### > **Shift Mindsets and Reduce Perceived Risks:**

Many MSMEs view green technologies as costly or risky. Awareness campaigns, training, and demonstration projects can highlight their economic and environmental benefits. Financial tools such as rebates, guarantees, and concessional loans can further ease concerns and encourage adoption.

#### > **Strengthen Market and Supply Chain Access:**

MSMEs often struggle to connect with green markets and supply chains. Government-led initiatives – such as export promotion programs, green certifications, and trade fair participation – can improve visibility and help MSMEs compete in both local and global value chains.



## 4 Technology and Infrastructure

### Expand Technological and Infrastructure Support:

MSMEs need affordable technologies, technical know-how, and infrastructure to make the green shift. Public-private partnerships, technology hubs, and Special Economic Zones focused on green industries can lower costs, transfer knowledge, and speed up innovation.

## 5 Capacity and Inclusion

> **Build Skills and Raise Awareness:** Capacity-building programs and localized resources can equip MSMEs with practical knowledge in sustainability and ESG practices, while partnerships with universities and training centers can ensure these skills are embedded into entrepreneurship education, building long-term resilience.

> **Ensure an Inclusive Transition:** A fair transition means ensuring opportunities for all. Tailored programs for women, youth, and persons with disabilities – including targeted financing, reserved procurement quotas, and dedicated training – can expand participation in green sectors. Innovation challenges and sector-specific incentives will further promote inclusive green entrepreneurship.

## Action Plan for Greening MSMEs in Zambia

A structured **action plan** has been developed to guide Zambia's MSMEs toward sustainable and green business practices, which encompasses nine thematic areas designed to progressively build capacity, infrastructure, and market access for MSMEs adopting sustainable practices. The action plan is well-aligned with Zambia's National Green Growth Strategy (GGG) 2024-2030 and the Eighth National Development Plan (8NDP) 2022-2026, both of which emphasize inclusive, climate-resilient development and sustainable economic transformation. Its focus on policy reform, green finance, capacity building, and inclusive market access supports the GGS pillars of climate-compatible growth, resource efficiency, and social inclusion.<sup>46</sup> Simultaneously, it complements the 8NDP's strategic areas, particularly Environmental Sustainability and Economic Transformation and Job Creation, by promoting green innovation, MSME competitiveness, and equitable opportunities for women, youth, and low-income

entrepreneurs.<sup>47</sup> The action plan outlines a phased approach – short-term (1-2 years), medium-term (3-5 years), and long-term (5+ years) – to systematically establish a robust MSME greening ecosystem in Zambia.

In the **short-term**, the focus will be on laying the foundation: policies and regulations will be revised to integrate green objectives, climate finance units will be established, MSMEs will be mapped, and awareness campaigns will be launched. These measures will create an enabling environment and spark initial interest among MSMEs in adopting green practices.

The **medium-term** will emphasize scaling and integration. Specialized green finance products will be developed, MSMEs will be linked to resources, green modules will be embedded in education, and industry-academia collaboration will be encouraged. Demonstration projects and certification programs will be introduced to validate and promote green business models.

In the **long-term**, the goal will be full institutionalization and market expansion. Policies will be harmonized, advanced green finance systems will be operational, and domestic green manufacturing industries will increase. MSMEs will be integrated into global green markets, supported by inclusive and innovative models that prioritize environmental justice and ensure accessibility for vulnerable groups – especially women, youth, and low-income entrepreneurs.

## Stakeholder Framework for Effective Implementation

To ensure successful implementation, the roadmap includes a comprehensive **stakeholder framework** (Annex 5), outlining the roles and responsibilities of key actors across government, the financial sector, private industry, development partners, academia, and MSMEs. By clearly defining their roles and responsibilities according to the thematic areas, based on the insights gathered from the gap study and validation workshops, the framework ensures clarity in the execution of the roadmap. The engagement of stakeholders starting from the inception phase helped the MoF secure buy-in, essential for its successful implementation. Additionally, valuable insights on existing and potential challenges that some stakeholders face in fulfilling their roles further informed the strategic direction of the roadmap's implementation.

<sup>46</sup> Ministry of Lands and Natural Resources. 2024. National Green Growth Strategy 2024-2030. Available at: <https://www.mlnr.gov.zm>

<sup>47</sup> Ministry of Lands and Natural Resources. 2022. Eighth National Development Plan (8NDP) 2022-2026. Available at: <https://www.mndp.gov.zm>

## Monitoring and Evaluation Framework

The roadmap includes a comprehensive Monitoring and Evaluation (M&E) framework designed to assess the effectiveness of sustainability initiatives in MSMEs. This framework includes an M&E matrix with indicators, data collection methods, assessment timelines, and responsible parties, and covers essential areas such as awareness, financial accessibility, technology adoption, policy alignment, capacity building, and environmental impact assessment.

The M&E framework will be jointly led by the Zambia Monitoring and Evaluation Association (ZaMEA) and the ZIPAR in close collaboration with the Ministry of MSME Development. The M&E team will conduct regular monitoring to assess whether interventions are being implemented as planned and contributing meaningfully to the roadmap's goals. These evaluations will track progress against defined indicators, identify areas for course correction, and ensure that the greening of MSMEs in Zambia is not only aspirational but also accountable and adaptive.

TABLE 3. MONITORING AND EVALUATION FRAMEWORK FOR ZAMBIA'S ROADMAP

M&E COMPONENT	INDICATORS	DATA COLLECTION METHODS	FREQUENCY	RESPONSIBLE PARTY
<b>Baseline Assessment</b>	Level of MSME awareness on greening issues, access to finance, technology adoption	Surveys, interviews, focus groups	Baseline (Initial)	ZIPAR, Ministry of Technology and Science, MSMED
<b>Policy Integration</b>	Percentage of MSMEs covered under green policy frameworks	Policy reviews, reports from ministries	Annually	Ministries (MSMED, Finance, etc.)
<b>Access to Finance</b>	Number of MSMEs accessing green finance, cost of credit, number of financial institutions offering green financial products	Financial institution reports, surveys	Quarterly	Financial institutions, Ministry of Finance
<b>Technology Adoption</b>	Number of MSMEs adopting green technologies, adoption rates in green special economic zones, and firms engaged in green innovations	Surveys, interviews with MSMEs	Annually	Ministry of Technology and Science, MSMED
<b>Capacity Building</b>	Number of MSMEs trained in sustainable practices, number of workshops conducted, and awareness campaign reach	Training records, surveys	Semi-annually	ZIPAR, MSMED, Ministry of Green Economy, MSME support organizations, development partners
<b>Environmental Impact</b>	Reduction in carbon emissions, improvement in energy efficiency, and adoption of circular economy practices	Environmental audits, reports from MSMEs	Annually	Ministry of Green Economy
<b>Consumer Demand</b>	Growth in market share for green products, number of MSMEs with green certifications, and participation in green trade fairs	Sales data from MSMEs, consumer surveys	Bi-annually	Competition and Consumer Protection Commission (CCPC), private sector, MSMEs

<b>Green Job Creation</b>	Number of jobs created in the green sector	Employment records, surveys	Annually	Ministry of Labor, MSMEs, Ministry of Green Economy
<b>Green Fund and Accelerator Fund Formation</b>	Creation and operationalization of the Green Fund or Accelerator Fund, number of MSMEs funded, and volume of funds disbursed	Fund establishment records, implementation reports	6 months (first phase), then quarterly	Ministry of Finance, development partners, ZDA
<b>Infrastructure development</b>	Development of green infrastructure projects, establishment of green technology hubs, and investments in sustainable transport networks	Project reports, infrastructure surveys	Annually	Ministry of Infrastructure, development partners

Source: Roadmap for greening MSMEs in Zambia

## Peer learning on Greening MSMEs: Zambia's Perspective

As mentioned under the Eswatini case study, Zambia also participated in the Peer Learning Exercise (PLE) hosted by the Central Bank of Egypt under AFI's Joint Learning Program. The exchange provided Zambian delegates with practical insights into Egypt's integrated approach to sustainable finance and MSME development. Through site visits and discussions with key institutions such as the Credit Guarantee Company, the Egyptian Credit Bureau, and NilePreneurs, participants observed how coordinated policies, financial incentives, and robust data systems can accelerate MSME greening while advancing inclusive growth.

For Zambia, the lessons learned were both strategic and actionable. Key priorities include strengthening inter-agency coordination to reduce policy fragmentation, introducing targeted financial incentives such as subsidized loans and credit guarantees, and enhancing financial literacy programs for MSMEs and financial institutions. The PLE also underscored the importance of building robust data systems to improve credit risk management and transparency, as well as investing in capacity-building initiatives, ranging from ESG training to simplified MSME registration, to enable a smooth transition to green business models. By integrating these lessons into its roadmap, Zambia aims to transform MSMEs from being highly vulnerable to climate risks into active drivers of sustainable and inclusive economic growth.



## IMPLEMENTATION, MONITORING AND EVALUATION FRAMEWORK

### Governance Structure

To execute the roadmap, a robust two-tiered governance framework will be established and continuously strengthened. This framework will consist of: a **Steering Committee** which will provide strategic leadership and high-level oversight, setting priorities, approving decisions, mobilizing resources, and reviewing progress. With members from the MoF and other key ministries, civil society, academia, and private sector actors, it will guide the roadmap's direction and ensure alignment with Zambia's national development goals. A **Technical Working Group** will support this effort by providing technical support – identifying green technologies, conducting feasibility assessments, and facilitating inclusive stakeholder engagement to support the Steering Committee. Together, these bodies will drive coordinated action in successfully executing the roadmap.

### Implementation and M&E

The action plan and stakeholder framework developed in the roadmap will ensure that Zambia's MSME green transition is inclusive, well-resourced, and strategically aligned with the country's development goals. Currently, the MoF, as the lead implementation agency, is mobilizing the necessary resources to initiate the first phase of the roadmap's implementation through the Green Finance Unit (GFU). Funding will be drawn from a mix of sources including government budget allocations, international climate finance, private sector investments, and donor contributions, to ensure a sustainable and inclusive rollout. Monitoring will be anchored in continuous feedback mechanisms designed to track progress, strengthen resilience, and enable timely course corrections. To operationalize this, the roadmap incorporates a comprehensive monitoring and evaluation (M&E) matrix that specifies indicators, timelines, and institutional responsibilities, thereby ensuring accountability and effective implementation.



Impact story  
video

Greening Zambia's  
MSME sector



# KEY LEARNINGS & POLICY RECOMMENDATIONS





The development of Inclusive Green Finance (IGF) roadmaps in Eswatini and Zambia offers valuable lessons on how to support MSMEs in their green transition. While the two countries are at different stages of ecosystem maturity, they face many of the same challenges. Both also highlight opportunities that can guide policymakers, regulators, and partners in shaping practical, context-sensitive solutions.

## Key Learnings

1

**Policies alone are not enough.** Both countries have solid climate and green growth policies in place – Eswatini through its Climate Change Policy and Development Plan, Zambia through its Climate Change Act and National Green Growth Strategy. Yet, MSMEs are often left out of these frameworks. Regulations are fragmented, enforcement is weak, and MSMEs rarely have a seat at the table in policy dialogue.

2

**Ecosystem maturity shapes the approach.** Eswatini, with a smaller and more centralized system, focused on embedding green finance into what already exists. Zambia, by contrast, had to start with basics, closing financing gaps, improving coordination, and building foundational awareness, given its larger and more complex stakeholder environment.

3

**MSMEs share similar struggles.** Across both countries, MSMEs face the same barriers: little access to affordable finance, limited technical knowledge, and low awareness of green opportunities. In Zambia, 76 percent of MSMEs rely on self-financing, with most investments going only as far as small solar installations – closely mirroring the situation in Eswatini. This shows the need for dedicated green financing instruments, stronger capacity-building programs and, importantly, the establishment of a detailed green finance taxonomy to enable more precise targeting of financing toward sustainable activities. The roadmap development process itself highlighted this gap, underscoring how such a taxonomy could enhance clarity for both financial institutions and enterprises.

4

**Coordination is critical, but uneven.** Institutional overlap is a challenge everywhere, but Eswatini's smaller setup made alignment easier, while Zambia's broader ecosystem required deliberate mapping and facilitation to get stakeholders working together.

5

**Roadmaps work best when built around MSME needs.** Both Zambia and Eswatini used a structured approach – diagnostics first, roadmaps second – which helped ensure that strategies were practical and evidence-based. Embedding MSME-specific priorities from the start made solutions more grounded and realistic.

6

**Engagement must be ongoing, not a one-off.** Both roadmaps moved beyond ad hoc consultations to create structured engagement processes with ministries, regulators, financial institutions, and MSMEs themselves. This inclusive model-built trust, strengthened alignment, and gave MSMEs a stronger voice in shaping green policies.

7

**Green objectives need to be mainstreamed into MSME policy.** Zambia, in particular, advanced reforms to integrate green priorities into MSME strategies, calling for updated national policies, fiscal incentives, and even a green finance unit within the Ministry of Finance. This kind of systemic reform is critical to move from rhetoric to real MSME access to green finance.

8

**Peer learning accelerates roadmap development.** Exchanges among AFI members, such as the Peer Learning Exercise in Egypt, proved to be highly valuable for both Eswatini and Zambia. By sharing experiences with institutions that are more advanced in greening MSMEs, countries were able to refine their own approaches, identify replicable practices, and adapt lessons to their national contexts. Embedding peer learning into the roadmap process therefore strengthens institutional capacity, facilitates continuous improvement, and ensures that national strategies remain responsive to global best practices.



## Policy Recommendations

### For Policymakers

- > Strengthen MSME-oriented green policy implementation through sector-specific action plans, incentives, and simplified regulatory compliance.
- > Appoint a clear lead institution and formalize coordination mechanisms (e.g. IGF taskforces or committees) to harmonize roles across ministries, regulators, and private actors, ensure accountability, and provide a structured platform for inclusive multi-stakeholder participation.

### For Financial Sector Regulators

- > Strengthen regulatory frameworks for green MSME finance by developing and enforcing tailored guidelines. This could build on Zambia's Green Loans Guidelines and Eswatini's draft green taxonomy, providing MSMEs with clear entry points into sustainable finance.
- > Leverage peer learning by adapting proven approaches from countries like Egypt, where mandatory MSME lending quotas, credit guarantees, and integrated data systems have helped scale green financing.
- > Promote innovative financing instruments such as blended finance, credit guarantees, and risk-sharing schemes that reflect the unique profiles of MSMEs — helping reduce collateral requirements while encouraging financial institutions to lend to greener businesses.

- > Mandate climate-related risk assessments within financial institutions to ensure that lending practices account for both environmental impact and resilience.
- > Facilitate data-driven decision-making by supporting the creation of credit bureaus, collateral registries, and ESG reporting standards, which improve transparency and reduce information asymmetry in MSME lending.
- > Encourage inclusivity by requiring gender-responsive and MSME-friendly approaches in all green finance regulations, ensuring that women-led and rural businesses are not left behind.

### For Donors and Development Partners

- > Align technical assistance with national IGF roadmaps, making sure that support reaches last-mile institutions and underserved MSMEs.
- > Facilitate peer learning and South-South exchanges between countries at different stages of IGF development.

### For Private Sector and MSME Support Organizations

- > Support MSMEs in joining green value chains and innovating green products and services through incubation, technical assistance, and market development.
- > Collaborate with financial institutions to de-risk green MSME lending through data-sharing, bundled services, and digital solutions.



## CONCLUSIONS

The IGF roadmap experiences in Eswatini and Zambia show that building inclusive green transitions for MSMEs requires a careful balance: tailoring solutions to each country's context while holding on to a set of core systemic principles. Although both countries operate at different levels of financial ecosystem maturity, they face similar challenges and highlight common pathways for unlocking MSME-led climate action.

A central takeaway is that **policy ambition must be matched with institutional coherence and MSME-centered design**. Both countries benefited from strong national climate and development agendas, but what made the difference was deliberate MSME engagement through surveys and consultations. This inclusive process ensured that MSME realities shaped the roadmaps from the start, making the strategies more actionable and relevant.

**Access to green finance remains the biggest bottleneck.** MSMEs struggle with high collateral requirements, complex application processes, and limited awareness of financing options. Zambia's Green Loans Guidelines and Eswatini's taxonomy development are important steps forward, but they need to be translated into practical mechanisms – such as concessional loans, credit guarantees, and results-based financing – that MSMEs can actually use.

Another lesson is that **coordination defines both the speed and sustainability of implementation**. Eswatini's compact ecosystem made alignment easier, while Zambia's larger, more fragmented landscape required stronger facilitation. In both cases, sustained ownership of the roadmaps depends on continuous dialogue, institutional champions, and adaptive feedback loops that evolve with the ecosystem.

The roadmaps also highlight that the MSME green transition is not only about financing. It is equally a **behavioral and knowledge challenge**. Low awareness of what “green” means and limited technical capacity to adopt sustainable practices are major barriers. This means that ecosystem strengthening must also prioritize awareness campaigns, skills development, and incentives for innovation alongside financial support.

Ultimately, the experiences of Eswatini and Zambia provide complementary lessons on how to design inclusive IGF pathways. Success lies in moving away from siloed interventions toward **integrated systems that embed MSMEs into national climate priorities**. Achieving this requires long-term commitment, dynamic stakeholder engagement, and iterative learning – so that MSMEs are not just recipients of green policies, but active drivers of sustainable and inclusive development.

## ANNEX 1. POLICIES, PLANS, AND FRAMEWORKS TO ADVANCE A GREEN ECONOMY IN ESWATINI

The tables below summarize the key documents reviewed for the development of Eswatini's green roadmap and their relevance to greening the MSME sector in Eswatini:

TABLE 4. KEY DOCUMENTS REVIEWED FOR THE DEVELOPMENT OF ESWATINI'S GREEN ROADMAP

DOCUMENT TITLE	KEY INSIGHTS AND RELEVANCE
<a href="#">Updated Nationally Determined Contributions (NDCs) of Eswatini and NDC Investment Plan and Finance Strategy (April 2024)</a>	The NDC sets Eswatini's first economy-wide GHG reduction target (five percent by 2030; 14 percent with support), with key measures in renewable energy, reforestation, and climate resilience. Integrates gender, youth, and disaster risk priorities and highlights the role of MSMEs in the green transition.
<a href="#">Business Case for Eco-Innovation</a>	Demonstrates how circular economy principles can enhance MSME competitiveness and profitability.
<a href="#">Financing SMEs for Sustainability</a>	Identifies financial instruments such as green loans and the need for climate-aligned data and capacities within banks.
<a href="#">Global Green Growth Institute: Green Growth Index</a>	Provides performance metrics, Eswatini scores well in natural capital but requires improvement in social inclusion.
<a href="#">Sustainable Development Report 2024</a>	Aligns MSME development with the SDGs, advocates for integrating sustainability into business models.
<a href="#">IFC Eswatini Private Sector Diagnostic</a>	Highlights the constraints and opportunities facing Eswatini's SMEs in the green economy.
<a href="#">Eswatini National Development Plan 2022-2024</a>	The National Development Plan sets out Eswatini's goals for sustainable growth, highlighting the role of SMEs in promoting both economic development and environmental sustainability through targeted green initiatives.
<a href="#">Green Skills Opening Doors for Young Emaswati</a>	The article underscores the rising importance of green skills in Eswatini, particularly for youth, and stresses the need for SMEs to adopt sustainable practices to remain competitive in the green economy.
<a href="#">Eswatini Inaugural Green Indaba</a>	Marks a national milestone in public-private dialogue on sustainability, with strong SME involvement.
<a href="#">SME Climate Resilience in Africa</a>	Outlines strategies for African SMEs to strengthen climate resilience through green technologies, resource efficiency, and climate finance, in addition to identifying key challenges and providing policy recommendations to support SME adaptation to climate change.
<a href="#">OECD Platform on Greening SMEs</a>	Advocates enabling policies and technologies to scale SME-led climate action while minimizing their ecological footprint.
<a href="#">UN Sustainable Development Cooperation Framework (2021-2025)</a>	Promotes inclusive green growth in partnership with UN agencies and national institutions.

Source: Roadmap for Greening the SME Sector in Eswatini<sup>48</sup>

<sup>48</sup> CFI and Cibola partners. 2024. Roadmap for Greening the SME Sector in Eswatini.



In addition to the initiatives outlined above, referenced in the roadmap review, and as Eswatini has developed a comprehensive suite of policies, plans, and strategies to support the green transition of its economy, several other key policy instruments further underscore the country's commitment to sustainable development and climate resilience.

**TABLE 5. KEY PLANS, STRATEGIES, AND FRAMEWORKS TO SUPPORT ESWATINI'S GREEN TRANSITION**

DOCUMENT TITLE	KEY INSIGHTS AND RELEVANCE FOR GREENING THE PRIVATE SECTOR
<a href="#"><u>Swaziland Environment Action Plan (1996)</u></a>	Advocates integrating environmental priorities into national planning, laying a foundation for environmentally responsible policies across all sectors.
<a href="#"><u>The National Climate Change Strategy and Action Plan (2015-2020)</u></a>	Serves as a strategic roadmap to integrate climate change considerations into national development planning, strengthening Eswatini's ability to mitigate climate-related risks.
<a href="#"><u>Swaziland National Climate Change Policy 2016</u></a>	Aims to advance a sustainable, climate-resilient, and low-carbon green economy. Encourages a coordinated approach among stakeholders to integrate climate action into social and economic development. Provides an enabling environment for investment in climate adaptation efforts that reduce poverty and enhance resilience.
<a href="#"><u>National Disaster Management Plan (2016-2021)</u></a>	Recognizes climate risks in key sectors and emphasizes the need for climate-informed planning, which supports MSMEs in risk-prone areas.
<a href="#"><u>National Water Policy (2018)</u></a>	Provides a framework for sustainable water use and equitable management of transboundary resources, supporting green practices in sectors reliant on water.
<a href="#"><u>National Drought Plan (2020)</u></a>	Offers critical data on drought risks and outlines both immediate and long-term strategies to mitigate drought impacts, relevant for building climate resilience in agriculture and MSMEs.
<a href="#"><u>National Gender Policy (2019-2030)</u></a>	Promotes gender equity in environmental and climate action. Encourages gender-responsive policies, equal participation, and access to green technologies and education.
<a href="#"><u>National Industrial Policy (2023-2033)</u></a>	Promotes green industrialization, circular economy, energy efficiency, and support for MSMEs through climate-smart innovation and waste management.
<a href="#"><u>National Financial Inclusion Strategy (NFIS II) 2023-2028</u></a>	Prioritizes financial access for MSMEs, women, and farmers. Supports climate adaptation through the digital delivery of climate risk insurance and green investment initiatives.
<a href="#"><u>National Development Plan (2023/24-2027/28)</u></a>	Integrates climate resilience across national strategies. Prioritizes climate-smart agriculture, green energy, and disaster risk management to strengthen private sector and MSME growth in a sustainable economy.
<a href="#"><u>MSME National Policy (2024-2029)</u></a>	Aims to build climate-resilient MSMEs through access to green technologies, capacity building, and partnerships. Aligns with green industrialization and sustainable development goals.
<a href="#"><u>The Strategy for Sustainable Development and Inclusive Growth (SSDIG) 2030</u></a>	Identifies climate change as a major threat to sustainable development and outlines strategies for mainstreaming climate resilience into national and sectoral policies. Promotes the development and implementation of mitigation and adaptation initiatives that support poverty eradication and economic stability.

## ANNEX 2. ANALYSIS OF KEY POLICIES ON GREENING MSMEs IN ZAMBIA

TABLE 6. KEY ACTS, STRATEGIES, AND FRAMEWORKS TO SUPPORT ZAMBIA'S GREEN TRANSITION

ACTS, POLICIES, AND STRATEGIES	RELEVANT PROVISIONS FOR GREENING OF MSMEs
<a href="#"><u>The Climate Change Act, No. 18 of 2024</u></a>	Provides a critical resource for MSMEs by creating financing channels and regulatory certainty to support greener production processes.
<a href="#"><u>National Green Growth Strategy 2024-2030</u></a>	Offers a clear roadmap with targets (e.g. financing and technology adoption) that MSMEs can leverage to integrate green practices into their operations.
<a href="#"><u>National Adaptation Plan (NAP) for Zambia, 2023</u></a>	Highlights the private sector's role in resource mobilization, offering avenues such as green bonds, blended finance, and enhanced credit lines for MSMEs.
<a href="#"><u>National Climate Change Response Strategy</u></a>	Facilitates access to green finance for MSMEs, enabling them to adopt sustainable production methods and strengthen market competitiveness.
<a href="#"><u>Environmental Impact Assessment Regulations</u></a>	Require MSMEs to meet environmental compliance, with opportunities for capacity building in green practices.
<a href="#"><u>Renewable Energy Strategy and Action Plan, 2022</u></a>	Encourage MSMEs to adopt renewable energy solutions and innovations in green technologies.

Source: ZIPAR 2025 report on Gap Analysis for Greening MSMEs in Zambia

## ANNEX 3. HIGH-LEVEL ACTION PLAN FOR ZAMBIA

THEME	PURPOSE	KEY TOOLS & RESOURCES
<b>1</b> Policy and Regulatory Framework	Create an enabling policy environment for green MSME development	<ul style="list-style-type: none"> <li>Revise MSME policies to integrate green objectives</li> <li>Introduce tax incentives, grants, and subsidies</li> <li>Establish a Climate Finance Unit</li> <li>Strengthen inter-ministry coordination</li> </ul>
<b>2</b> Market and Supply Chain Integration	Facilitate access to green markets and sustainable supply chains for MSMEs	<ul style="list-style-type: none"> <li>Develop green export promotion initiatives</li> <li>Establish certification programs for green markets</li> <li>Offer subsidies and tax breaks for green adoption</li> <li>Promote green products at trade fairs</li> </ul>
<b>3</b> Behavioral and Demand-Side Interventions	Overcome resistance to green adoption by improving awareness and incentives	<ul style="list-style-type: none"> <li>Launch educational campaigns and green business expos</li> <li>Implement demonstration projects showcasing profitability</li> <li>Introduce financial incentives like rebates, tax breaks, and low-interest loans</li> </ul>
<b>4</b> Green Financing Support	Bridge the MSME financing gap for green investments	<ul style="list-style-type: none"> <li>Develop specialized green finance products</li> <li>Establish a National Green Fund</li> <li>Integrate National Green Finance Guidelines into the practices of financial institutions</li> <li>Develop tailored credit guarantee schemes</li> </ul>
<b>5</b> Technology and Infrastructure Support	Enhance MSME access to green technologies and infrastructure	<ul style="list-style-type: none"> <li>Develop green technology hubs through public-private partnerships</li> <li>Establish Green Special Economic Zones</li> <li>Identify and support growth-oriented MSMEs</li> <li>Promote industry-academia collaboration for green technologies</li> </ul>
<b>6</b> Skills, Knowledge, and Awareness Development	Strengthen the capacity of MSMEs to adopt and implement green practices	<ul style="list-style-type: none"> <li>Conduct targeted awareness campaigns</li> <li>Organize capacity-building workshops</li> <li>Integrate green business modules into educational curricula</li> <li>Provide practical ESG training for MSMEs</li> </ul>
<b>7</b> Monitoring and Evaluation Framework	Ensure continuous progress tracking and adaptation in greening MSMEs	<ul style="list-style-type: none"> <li>Develop a national database for tracking green MSMEs</li> <li>Establish key performance indicators (KPIs)</li> <li>Conduct periodic evaluations</li> <li>Promote stakeholder engagement</li> </ul>
<b>8</b> Cross-Cutting Considerations	Ensure inclusivity, innovation, and environmental justice in all interventions	<ul style="list-style-type: none"> <li>Prioritize support for women and youth-led MSMEs</li> <li>Support inclusive business models for vulnerable communities</li> <li>Make green innovation accessible to low-income MSMEs</li> </ul>



## ANNEX 4. POTENTIAL SOURCES OF GREEN FUNDS FOR ZAMBIA

INSTITUTION	TYPE OF SUPPORT	GREEN FINANCING POTENTIAL ACTIVITY	HOW MSMEs CAN ACCESS SUPPORT
<b>Citizens Economic Empowerment Commission (CEEC)</b>	Grants, Soft Loans	Fund projects that align with government priorities, including sustainable agriculture, green jobs, and renewable energy.	Apply through CEEC programs targeting green sectors such as agro-processing, clean energy, and the circular economy.
<b>Constituency Development Fund (CDF)</b>	Grants, Infrastructure Support, Empowerment Funds	Support local-level development including waste management, green public infrastructure, climate-resilient schools, and clean energy projects. MSMEs and cooperatives can tap into this for local green solutions.	Apply through Ward Development Committees (WDCs) and local authorities with community-beneficial green proposals. Requires alignment with CDF guidelines and project vetting at the constituency level.
<b>Commercial Banks</b>	Green Loans, SME Products, Innovation Support, Green Investment	Offer dedicated green finance products for MSMEs adopting sustainable practices.	Approach individual banks with business proposals aligned to green initiatives.
<b>NATSAVE (National Savings and Credit Bank)</b>	Microloans, Agricultural Finance	Service rural communities and small enterprises; strong potential for green agriculture or climate-resilient finance.	Visit local branches to apply for MSME loans that integrate climate-smart activities.
<b>Insurance Firms (e.g. ZSIC, Madison General, Professional Insurance)</b>	Green Insurance Products	Can develop risk protection products for climate-related shocks (e.g. crop and weather-index insurance).	Request products related to climate risk coverage; engage in awareness workshops.
<b>Pensions and Asset Managers (e.g. NAPSA)</b>	Sustainable Investments	Can allocate a portion of investment portfolios to green bonds or sustainable infrastructure projects.	Work with listed green enterprises or pitch sustainability-linked investment opportunities.
<b>Lusaka Stock Exchange (LuSE)</b>	Green Bonds, Equity Financing	Offer a platform for MSMEs to raise capital for green investments through bond or equity issuance.	Work with LuSE-listed sponsors or engage with financial advisors on listing guidance.

Source: ZIPAR 2025 Report on Gap Analysis for Greening MSMEs in Zambia

## ANNEX 5. STAKEHOLDER IMPLEMENTATION FRAMEWORK

STAKEHOLDER(S)	ROLE	RESPONSIBILITIES
Ministries (MSMED, Finance, Commerce, Agriculture, Energy, Infrastructure, Green Economy, etc.)	Lead coordination and support for MSME development with a focus on sustainability.	<ul style="list-style-type: none"> <li>Develop and promote policies and incentives that encourage MSMEs to adopt green technologies and sustainable practices.</li> <li>Facilitate access to green finance and support programs for MSMEs transitioning to green operations.</li> <li>Provide capacity building initiatives on sustainable business practices for MSMEs.</li> <li>Monitor and evaluate the impact of green initiatives on MSME growth and sustainability.</li> </ul>
Zambia Development Agency (ZDA)	Facilitate green investments and the integration of green business practices.	<ul style="list-style-type: none"> <li>Offer technical assistance and advisory services on green investment opportunities.</li> <li>Develop and support green investment platforms online for knowledge sharing.</li> <li>Monitor and report on MSMEs' green investment pledges and actualization.</li> <li>Initiate public-private partnerships to attract both domestic and foreign green investments.</li> </ul>
Financial Institutions (Commercial Banks and Microfinance Institutions)	Provide financial support for green investments.	<ul style="list-style-type: none"> <li>Design and offer tailored green financing products specifically for MSMEs.</li> <li>Collaborate with government and development partners to enhance access to green finance.</li> <li>Launch targeted marketing campaigns to promote the availability of green financing products.</li> <li>Develop specialized risk assessment frameworks for green projects.</li> </ul>
Private Sector Associations (e.g., Zambia Chamber of Commerce, Zambia Federation of Employers)	Advocate for green initiatives.	<ul style="list-style-type: none"> <li>Promote green business practices.</li> <li>Facilitate MSME collaboration and knowledge sharing.</li> <li>Provide mentorship for MSMEs transitioning to greener models.</li> </ul>
Development Partners (UN Environment Programme (UNEP), UN Capital Development Fund (UNCDF), UN Development Programme (UNDP), International Finance Corporation (IFC), African Development Bank (AfDB), Financial Sector Deepening Africa (FSD Africa), Global Green Growth Institute (GGGI), and civil society organizations such as the GCF Civil Society Network and the Adaptation Fund NGO Network)	Support technical assistance, funding, and capacity building.	<ul style="list-style-type: none"> <li>Fund research and pilot projects focused on sustainable MSME practices.</li> <li>Provide technical expertise and guidance on green technology adoption.</li> <li>Assist in monitoring and evaluating the progress of green initiatives.</li> <li>Facilitate international knowledge exchanges and capacity building workshops.</li> </ul>

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MSMEs (Small and Medium Entrepreneurs)	Adopt green practices within businesses.	<ul style="list-style-type: none"> <li>• Implement energy-efficient and sustainable operational practices.</li> <li>• Invest in staff training on sustainable business and environmental practices.</li> <li>• Track, report, and continuously improve environmental performance metrics.</li> <li>• Engage with industry networks and participate in green innovation forums.</li> </ul>
Academic Institutions and Research Organizations	Conduct research and provide data to support green transitions.	<ul style="list-style-type: none"> <li>• Produce research studies and policy recommendations on green MSME practices.</li> <li>• Offer training, certification, and technical support on green technologies.</li> <li>• Collaborate with government and private sectors to develop scalable green technology solutions.</li> <li>• Organize innovation challenges and incubators to support green start-ups.</li> </ul>

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## ACRONYMS

<b>AfDB</b>	African Development Bank	<b>NAP</b>	National Adaptation Plan for Zambia 2023
<b>AFI</b>	Alliance for Financial Inclusion	<b>NDCs</b>	Nationally Determined Contributions
<b>BoZ</b>	Bank of Zambia	<b>NDP</b>	National Development Plan
<b>CFI</b>	Centre for Financial Inclusion	<b>NFIS</b>	National Financial Inclusion Strategy
<b>EIA</b>	Environmental Impact Assessment	<b>NGGS</b>	National Green Growth Strategy of Zambia
<b>ESG</b>	Environmental, Social, and Governance	<b>PwD</b>	Persons with Disabilities
<b>EU</b>	European Union	<b>SDGs</b>	Sustainable Development Goals
<b>FAO</b>	Food and Agriculture Association	<b>SEC</b>	Securities and Exchange Commission
<b>FCA</b>	Full-cost Accounting	<b>SEDCO</b>	Small Enterprises Development Company
<b>FI</b>	Financial Institutions	<b>SME</b>	Small and Medium-sized Enterprises
<b>GCF</b>	Green Climate Fund	<b>SMME</b>	Small, Micro, Medium Enterprise
<b>GDP</b>	Gross Domestic Product	<b>UNDP</b>	United Nations Development Program
<b>GGs</b>	Green Growth Strategy	<b>WMSMEs</b>	Women-led MSMEs
<b>GoZ</b>	Government of Zambia	<b>ZDA</b>	Zambia Development Agency
<b>IGF</b>	Inclusive Green Finance	<b>ZEMA</b>	Zambia Environmental Management Agency
<b>ITC</b>	International Trade Centre	<b>ZIPAR</b>	Zambia Institute for Policy Analysis and Research
<b>KII</b>	Key Informant Interview		
<b>KPIs</b>	Key Performance Indicators		
<b>M&amp;E</b>	Monitoring and Evaluation		
<b>MGEE</b>	Ministry of Green Economy and Environment (of Zambia)		
<b>MoF</b>	Ministry of Finance		
<b>MoFNP</b>	Ministry of Finance and National Planning		
<b>MSMEs</b>	Micro, Small, and Medium Enterprises		
<b>MSMED</b>	Ministry of Small and Medium Enterprise Development (of Zambia)		
<b>MTEA</b>	Ministry of Tourism and Environmental Affairs (of Eswatini)		

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