Twenty-eight (28) percent of African countries interviewed within the recently published International Trade Centre (ITC) Small and Medium (SME) Competitiveness Survey sees environmental regulations adopted by national governments as an obstacle to their operations. Micro-sized firms, in general are more impacted than larger firms, and are also the ones that act less for reducing environmental risks.

Environmental regulation aims at improving environmental quality, but may come at the cost of productivity. Also in Africa, in the latest years, many governments have introduced carbon taxes and cap-and-trade systems to deter greenhouse gas emissions.

Carbon taxes impose a fee on energy and production processes that emit carbon dioxide and other greenhouse gasses, including levies on greenhouse gas-emitting fuels, to discourage pollution. Conversely, in a cap-and-trade system, a regulatory body decides the maximum amount of permissible emissions by industry and issues a corresponding number of emission allowances (or "carbon credits") that companies can buy and trade with one another like any other commodity. Kenya for instance, is considering the introduction of this system .

At global level, there are 31 cap-and-trade schemes implemented or planned worldwide that fix limits on the industrial emissions of greenhouse gasses. One of these is the European Union’s Emissions Trading System (ETS) , the world's first major carbon market and a cornerstone of the EU's policy to combat climate change and reduce greenhouse gas emissions.