



Sheshetu Diriba and Wendmagne Tekilewold at their paper-collection micro-enterprise in Addis Ababa, Ethiopia (Image: TechnoServe / Nick Rosen)

The Circular Economy

WHY IT MATTERS

The linear model of producing, consuming, and discarding materials is unsustainable for our planet: we would need the resources of 1.7 Earths to meet society's current consumption. Stress on planetary resources is expected to grow, with consumption expected to rise by as much as 250% as populations become larger and wealthier.

The circular economy offers an alternative, aiming to preserve and restore natural resources by sharing, reusing, repairing, and recycling materials, rather than discarding them after a single use.

Shifting to more circular models has the potential to preserve natural resources and generate economic opportunity. By reusing and recycling materials, we can bring our consumption within planetary boundaries. This shift could also create as many as 8 million new jobs and better opportunities for micro, small and medium-sized enterprises (MSMEs).

TECHNOSERVE'S APPROACH

To unlock these opportunities, TechnoServe works to address the key challenges that MSMEs face in the circular economy. These include:

- Underdeveloped supply chains for recycled materials
- Immature markets for green products
- Limited access to finance
- Unavailability of green technology and workers with circular-economy skills
- Policies and infrastructure designed for linear models

TechnoServe works to identify missing links in the value chains, the obstacles that entrepreneurs face, and the opportunities that exist for different actors in the sector.

We collaborate with key partners across the ecosystem to help micro and small businesses adopt circular practices that boost the bottom line, support the growth of recycling businesses and other green enterprises, and help micro-entrepreneurs launch waste-collection businesses.

QUICK FACTS



1.7

The number of Earths we would need to sustainably meet our current consumption



8 million

New jobs could be created by the adoption of circular business models



580

Ethiopian waste-collection microenterprises supported by TechnoServe's work with LIWAY



The Circular Economy

Our Work

LIVELIHOODS IMPROVEMENT FOR WOMEN AND YOUTH (LIWAY) | SWEDEN & THE EMBASSY OF THE KINGDOM OF THE NETHERLANDS | ETHIOPIA | 2017-2024

This program adopted a Market Systems Development (MSD) approach to strengthen the paper and plastic recycling value chains in and around Ethiopia's capital city. LIWAY partnered with the Addis Ababa Cleansing Management Agency to support the creation and growth of microenterprises that purchase material from waste pickers, aggregate and sort it, and supply it to recycling companies.

This initiative has supported 580 microenterprises and improved the livelihoods of approximately 30,000 young people and youth. In 2023 alone, microenterprises supported by the project aggregated 41,800 tons of waste and strengthened the supply chain of 20 recycling businesses in and around Addis Ababa.

NIGERIA PLASTIC SOLUTIONS ACTIVITY (NPSA) | USAID & COCA-COLA FOUNDATION | NIGERIA | 2024 - 2027

NPSA tackles the critical challenge of plastic waste management in Nigeria through innovative recycling solutions. Plastic pollution has become a pressing environmental concern globally, and Nigeria is no exception. The project will recover approximately 49,000 metric tons of plastic waste in Nigeria while upscaling the collection capacity of over 24 aggregators and 9,500 collectors.

In addition, the program aims to create over 10,000 green jobs, driving circularity in plastic waste management and promoting a cleaner, healthier environment.



Claudia Alvarado poses with materials her business is recycling in El Salvador (Image: TechnoServe / Julieta Ocampo)

IMPULSA TU EMPRESA (ITE) | ARGIDIUS & VISA FOUNDATIONS | CENTRAL AMERICA | 2012-2023

The ITE project in Latin America was a traditional accelerator, which promoted circular business solutions for small and growing businesses (SGBs) by training entrepreneurs to identify climate risks and opportunities in their business models.

The SGBs were supported to identify, prioritize, and integrate practices that enable business growth and reduce environmental impact by cutting emissions and adopting circular business models, such as reducing packaging waste, utilizing renewable materials, and deploying rental models.

ITE also promoted business practices that reduced the entrepreneurs' risk or vulnerability to climate change through practices such as accessing weather insurance or sourcing from multiple suppliers to diversify risk.

ITE strengthened more than 2,500 SGBs (42% women-led), increasing incremental sales by more than \$50 million and generating more than 2,450 full-time jobs.