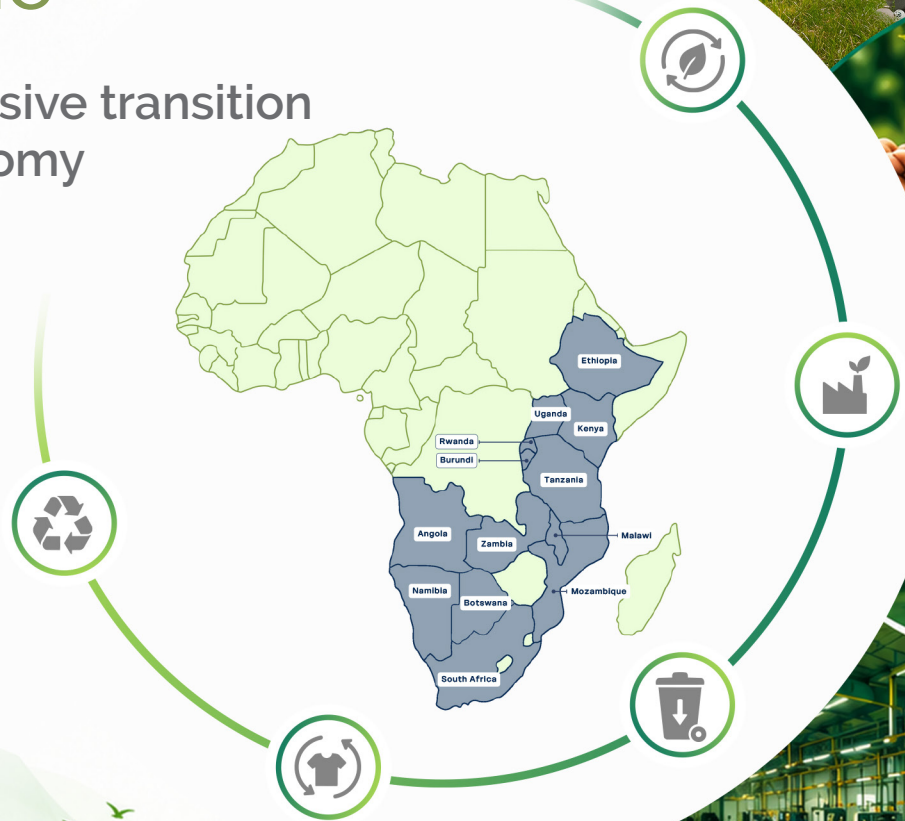


SWITCH to Circular Economy in East and Southern Africa (SWITCH-2-CE in ESA) Programme
Fostering an inclusive transition to a circular economy

SWITCH to Circular Economy in East and Southern Africa (SWITCH-2-CE in ESA) Programme

Fostering an inclusive transition to a circular economy



Produced by:



Implemented by:



SWITCH to Circular Economy in East and Southern Africa (SWITCH-2-CE in ESA) Programme
Fostering an inclusive transition to a circular economy

Circular Economy Landscape Assessment

Landscape of Circular Economy Enterprises, Financial and Technical Service Providers in ESA

Developed under the EU-funded SWITCH to Circular Economy in East and Southern Africa programme, this factsheet summarises key findings from a landscape assessment of circular economy (CE) enterprises and their support ecosystem across 13 East and Southern African (ESA) countries. The analysis was undertaken to guide the design of interventions that strengthen CE enterprises' access to finance and technical assistance, with a focus on the plastics/packaging and electronics/e-waste value chains.

Circular Economy in ESA: Market Landscape & Emerging Insights



MSMEs & Start-ups drive waste collection

Low capital requirements and accessible entry points make collection and pre-processing the most common starting point for MSMEs. Advancing to export-grade outputs requires capital, technical infrastructure, and compliance capabilities most cannot mobilise.



SMEs anchor recycling, aggregation and processing

SMEs operate at recycling and processing scale. Cross-border engagement, primarily with European buyers, is dominated by export/offtake arrangements with limited technology transfer. Equity-based Joint Ventures are rare.



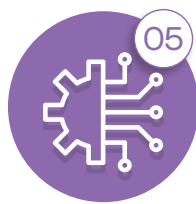
Circular loop remains structurally incomplete

Circularity is concentrated at the recovery stage. In plastics, import dependence on virgin resin constrains upstream design. In electronics, absence of Original Equipment Manufacturer limits product design influence. Midstream repair remains largely informal across both chains.



High-value advanced fractions and margins flow offshore

SMEs and MSMEs function primarily as raw material suppliers, exporting plastics as flakes and e-waste fractions to international facilities. Advanced recovery and manufacturing remain offshore.



Technology gaps constrain enterprise growth

Advanced processing is concentrated in a small number of markets. R&D and quality-testing infrastructure are limited. Market access is restricted by certification requirements.



Informal workers, women and youth excluded

Waste pickers, dismantlers, aggregators, and repair technicians form the operational backbone across both value chains. Women are in lower-paid, higher-risk roles. Youth are engaged in informal repair. All three groups lack access to financing and compliance frameworks.

Produced by:

Implemented by:

SWITCH to Circular Economy in East and Southern Africa (SWITCH-2-CE in ESA) Programme
Fostering an inclusive transition to a circular economy

Circular Economy Enterprises in ESA

Bridging Gaps in Finance and Technical Support

GAP 01



Unequal access to finance and technical support across the enterprise growth continuum

- ◆ Early-stage enterprises and informal actors face high revenue thresholds, stringent collateral requirements, and formalisation preconditions that exclude them from capital access.
- ◆ CE is conflated with recycling, restricting support for innovative circularity models.
- ◆ Enterprises pursuing ISO/R2/e-Stewards certification cannot access locally qualified guidance.

Geographic concentration of financial and technical service providers

- ◆ FSPs are heavily concentrated in Kenya and South Africa, where policy clarity and visible enterprise pipelines reduce perceived deployment risk.
- ◆ Remote delivery models do not meet the on-site technical needs of enterprises.



GAP 02

GAP 03



Financing instruments not calibrated to the characteristics of CE enterprises

- ◆ Grants restricted to pilots rather than core business needs. Debt instruments carry high collateral requirements and short tenors.
- ◆ Equity is misaligned with the growth profiles of CE enterprises.
- ◆ Innovative finance remains underdeveloped and inaccessible at MSME and start-up level.

Scarcity of specialised CE technical expertise and misalignment with enterprise needs

- ◆ Support oriented toward recycling and basic business literacy; limited provision for advanced processing, circular design, or export and certification readiness.
- ◆ Specialist advisory costs are structurally inaccessible to MSMEs, and no mid-market CE advisory provision exists.



GAP 04

GAP 05



Ecosystem fragmentation and absence of coordination mechanisms across FSPs and TSPs

- ◆ Enterprises completing early-stage programmes are rarely connected to follow-on financing.
- ◆ Most financial service providers hold limited dedicated CE mandate.
- ◆ Ecosystem is highly fragmented with limited coordination between early-stage investors and growth-stage FSPs and TSPs.
- ◆ Support organisations focus on soft outputs (pitch decks) while financiers require hard evidence (audited financials).

Programme design biased towards early-stage enterprises; growth-stage and transitioning firms structurally excluded

- ◆ Rigid, peer-sharing cohort structures are unsuitable for mature SMEs requiring confidential, firm-specific advisory.
- ◆ No dedicated 'Transition Support' exists for linear firms switching to circularity — guidance needed on capital redeployment, supply chain reconfiguration, and industrial-scale circular process integration.



GAP 06

Produced by:

Implemented by:

SWITCH to Circular Economy in East and Southern Africa (SWITCH-2-CE in ESA) Programme
Fostering an inclusive transition to a circular economy

Priority Interventions to Bridge the Gaps

Strengthening Financial, Technical, and Market Ecosystems for Circular Enterprises in ESA



STRENGTHENING FINANCIAL ECOSYSTEM

Scaling Grants & Catalytic Capital:

Milestone-linked scaling grants and catalytic capital to build investment-ready circular enterprise pipelines.

CE-Aligned Working Capital:

Unlock liquidity through repayable working-capital products using CE-specific collateral alternatives such as aggregation volumes, verified offtake agreements, and receivables.

Patient CapEx / First-Loss Guarantee Financing:

De-risk capital expenditure through longer-tenor financing with CE-specific guarantee and first-loss structures for industrial-scale circular infrastructure.

CE-Specific Underwriting Tools:

Segmented underwriting frameworks recognizing circular business model characteristics - feedstock access stability, throughput rates, recovery yields, and offtake arrangements as core risk parameters.

Gender-Responsive CE Finance & TA:

Gender-responsive financial instruments for women-led circular enterprises at different scales, bundled with targeted technical assistance.

Value-Chain Deal Sourcing Platform:

Convene financial institutions with value-chain actors and ecosystem intermediaries to systematically surface viable circular enterprises outside formal finance channels.



STRENGTHENING TECHNICAL SUPPORT

Sequenced, Stage-Aligned TA:

Milestone-based TA aligned to enterprise maturity through modular stage-gated tracks, replacing output-driven cohort models with verifiable commercial outcomes.

On-Site Technical Deployment:

Embedded engineers and mobile technical teams for hands-on support during commissioning, process stabilisation, and certification preparation in underserved locations.

CE Innovation & Investor-Readiness:

Graduated pathways for early-stage circular start-ups from concept validation and prototyping through to first commercial contract and institutional investor readiness.

Scale-Stage Enterprise Enablement:

Separate early-stage incubation from growth-stage scale-up mandates; adopt portfolio-based TA funding and build institutional memory systems.

Certification & Export Readiness TA:

Structured certification pathway support covering quality, environmental, food-grade, and export compliance standards through cohort-based readiness programmes.

Informal Worker Formalisation:

Transition informal CE workers into structured supply chain actors through graduated formalisation pathways that remove formal registration as an entry barrier.



STRENGTHENING MARKET SYSTEMS

Regional JV Platform:

A bidirectional matchmaking platform connecting circular SMEs with international partners through pre-validated pipelines, standardised partnership frameworks, and technical-legal structuring support.

CE Data Intelligence Platform:

Open-access data across the region covering material flows, feedstock volumes, pricing trends, enterprise performance, market demand signals, compliance requirements, and technology infrastructure.

Market Access & Buyer Partnerships:

Structure market access through enterprise readiness assessments, buyer-supplier matchmaking, supply consortia for collective volume thresholds, and quality systems integration.

Produced by:

Implemented by:

SWITCH to Circular Economy in East and Southern Africa (SWITCH-2-CE in ESA) Programme
Fostering an inclusive transition to a circular economy

**SWITCH to Circular Economy in East and Southern Africa
(SWITCH-2-CE in ESA) Programme**

Fostering an inclusive transition to a circular economy

Publication Date: May 2026

FOR MORE INFORMATION CONTACT

PROGRAMME LEAD

Piyush Dhawan

piyush.dhawan@giz.de

PROGRAMME CO-LEAD

Valentin Grange

valentin.grange@expertisefrance.fr



Produced by:

Implemented by: