

The Circular Economy around the World: Approaches and Practices

While the circular economy is gaining visibility, its actual weight in the global economy continues to decline. Drawing on a study conducted for ADEME and AFD, Auxilia Conseil and Circulab analyse the different approaches to the circular economy internationally, the barriers to its deployment, and the initiatives paving the way for more sufficient, local and resilient models.

Article author



Samuel Sauvage

Senior Project Director, Circular Economy and Responsible Digital

Auxilia

Although the circular economy is increasingly invoked, it is losing ground year after year: according to the Circularity Gap Report, which measures the circularity rate of the global economy each year, the rate fell to 6.9% in 2025 (compared with 8.6% in 2022)¹. This lack of circularity logically goes hand in hand with a growing depletion of resources: since 1970, global resource consumption has increased 3.5-fold², a rise that outpaces the growth of both GDP and the world population over the same period.

Understanding this failure means pinning down the place the circular economy occupies in what we might call global governance, through its talking points, its standard-bearers, the ways it is understood and how it is applied. It was precisely to clarify this situation that ADEME and AFD commissioned Auxilia Conseil and Circulab to conduct a study that would then allow them to adjust their international interventions. The study was based on an extensive literature review and some forty interviews³ with international organisations involved in the circular economy.

A topic neither defined nor structured

First, let us consider the term itself. The circular economy has no internationally recognised definition. According to some researchers, there are more than 200 distinct definitions⁴, placing more or less emphasis on what economic actors put on the market, consumer demand, or the management of the waste produced. The circular economy is thus sometimes approached by applying the 3Rs (“reduce”, “reuse”, “recycle”) to all value-creation loops at every stage of a chain or life cycle. Other Rs have been added over time: refuse, repair, renew, rehabilitate, recover, remanufacture...

It quickly becomes clear that the French definition promoted by ADEME, based on 7 pillars (sustainable sourcing, ecodesign, industrial and territorial ecology (ITE), the functional and cooperative economy (FCE), responsible consumption, extended product lifespan, recycling)⁵, is relatively isolated. The emphasis on alternative economic models based on services (FCE) or on cooperation between businesses (ITE), however relevant, is therefore not shared at global level.

“The circular economy suffers from a lack of structure in terms of stakeholder networks.”

Not that the field is deserted: there are specialised United Nations agencies (UNEP, UNDP), funders (GIZ, AFD...), think tanks (Ellen MacArthur Foundation, Circle Economy...) and national or regional networks (ACEA, CELAC...). But either these actors do not carry a transformative vision, or their resources are too limited.

International challenges beyond waste

The regions studied, from Latin America to India, via the Maghreb and Sub-Saharan Africa, naturally show strong disparities in the challenges associated with the circular economy. However, it appears that most regions see it mainly as improved waste management. With many African and Asian territories left with the discards of dominant economies, the prevalence of the waste issue is not surprising, especially since it is also present in Europe.

“Hence a first possible explanation for our economy’s inability to reduce extraction at the source: the very concept of the circular economy is generally viewed through the wrong end of the telescope.”

Yet the challenges raised by actors on the ground go well beyond waste. In areas where access to water or fertile soil is difficult (notably the Maghreb and Sub-Saharan Africa), the question of sustainable sourcing quickly emerged as central. How can farmers and industries be helped to keep producing in an increasingly hot and dry climate? New economic models, inherently sufficient, are therefore being sought, although two concerns are sometimes expressed about the development of the circular economy: the threat to previously informal activities (waste collectors-resellers in particular) and the emergence, through large international companies, of a new “green colonialism”.

Beyond words, action

In this rather bleak context, the work carried out identified promising levers and lessons learned from around the world. The study lists twelve international initiatives selected for their innovative and replicable nature⁶.

One of the first levers concerns financing, to rebalance an economy in which resources are considered free. Given the sums at stake, this challenge requires mobilising public and private funds. For example, AFD granted an €80 million loan to the industrial development bank TSKB to finance circular projects and support companies committing to circularity. In France, the creation of funds for reuse and repair contributes to this necessary economic rebalancing. Similarly, RePurpose Global manages to finance local plastic collection and recycling projects in seven countries while mobilising international brands.

The initiatives are also characterised by a “global to local” approach: globalisation imposes a planetary scale on material flows, but the effectiveness of the circular economy depends on its ability to take root in local needs. The Latitud’R platform, developed in Latin America, thus fosters the exchange of experience between governments and local businesses, linking a regional vision with concrete action. In France, the Low Tech Lab also illustrates the fruitful tension between global and local: it pools and disseminates sufficient solutions (low tech) worldwide, but their deployment remains deeply rooted in local, participatory experimentation.

Finally, these initiatives rely on changing behaviours and mindsets. For example, the Repair Kopitiam initiative in Singapore builds community momentum around volunteer repair, tackling throwaway culture while rebuilding social ties. In the Philippines, Ananas Anam, with its Piñatex textile made from pineapple leaves, shows that agricultural residues can be monetised and production diversified.

This brief overview does not claim to provide a complete and definitive answer to the challenges of deploying the circular economy worldwide. It does, however, offer a glimpse of current perceptions, needs and initiatives, showing just how far there is still to go!

Notes

- 1 *Circularity Gap Report 2025, Circle Economy. Comparative meta-analysis of the gap between total extraction and production and total reused/recycled waste.*
- 2 *Global Resource Outlook 2024, International Resource Panel (UNEP).*
- 3 *Research conducted by Auxilia and Circulab between May and September 2024, combining a literature review and interviews with companies, experts and local or international institutions involved in the circular economy.*
- 4 *Julian Kirchherr et al., "Conceptualizing the circular economy: An analysis of 221 definitions".*
- 5 *ADEME, 2013, Économie circulaire, notions [Circular economy: key concepts].*
- 6 *Unless otherwise stated, figures relating to the case studies cited in this article (amounts, tonnages, turnover) come from interviews with project leaders and their public communications, as part of the research conducted by Auxilia and Circulab in 2024.**