# Circular Economy Investment Tracker

IFC's new interactive platform maps private circular economy investment flows across three material-intensive sectors—**Electronics & Appliances, Packaging, and Textiles**—in nearly 100 economies.

**www.ifc.org/ceit**

## WHAT IS THE CIRCULAR ECONOMY?

The circular economy is a transformative economic model for achieving sustainable development that minimizes the use of natural resources, maintains the value of products and materials, and prevents or reduces waste. This model has enormous potential to create jobs, strengthen business resilience and competitiveness, and drive inclusive growth.

## ABOUT THE CIRCULAR ECONOMY INVESTMENT TRACKER

The Circular Economy Investment Tracker (CEIT) covers private sector transactions from January 1, 2018 to December 31, 2024. Investments were classified according to IFC's **Harmonized Circular Economy Finance Guidelines**. The CEIT relies on publicly disclosed investment data drawn from commercial databases (PitchBook, Environmental Finance, Net Zero Insights, and Tracxn). Public funding, grants, and sustainability-linked instruments without defined use of proceeds are excluded.

## KEY FINDINGS FROM CEIT

- **Low- and middle-income countries (LMICs) are largely on the periphery of circular economy finance.** Of the $198 billion invested, just $14 billion (7%) flowed to LMICs, despite these countries hosting the majority of circular economy jobs globally.
- **Even within LMICs, capital was highly concentrated in a few countries.** Half of the 97 economies that received investment were LMICs, yet nearly 90% of that investment flowed to just five countries: China, India, Mexico, Thailand, and Türkiye.
- **Regulatory frameworks were a driver of private investment,** with 20 of the top 25 CEIT investee countries having at least one circular economy roadmap in place.
- **Where investment landed along the circular value chain differed by country income level and region.** In LMICs, 51 percent of investment targeted upstream and midstream activities, such as design, manufacturing, and product life extension activities, compared to 38 percent in high-income countries (HICs).
- **Most CEIT investments were relatively small in size.** Seventy-five percent of all disclosed deals globally were $10 million or below, and the average transaction size in LMICs ($22 million) was less than half that in HICs ($52 million).

## By the Numbers:

(2018–2024, cumulative totals)

| | |
|---|---|
| **3** | material-intensive sectors |
| **6,804** | transactions |
| **4,025** | transactions with disclosed deal values[1] |
| **97** | markets including 50 low- and middle-income countries |
| **$198** | billion invested |
| **7%** | of investment volume to LMICs |

[1]Total CEIT investment volume ($198 billion) is based on the 4,025 transactions with disclosed deal values. The remaining 2,779 transactions are included in the count but did not have publicly available deal values.

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## WHAT ARE CIRCULAR ECONOMY INVESTMENTS?

(Source: IFC's Harmonized Circular Economy Finance Guidelines)

| Upstream: Circular Design & Production | Midstream: Circular Use | Downstream: Value Recovery |
|---|---|---|
| Activities that reduce material use, incorporate regenerative inputs, and improve product durability, repairability, and recyclability, including shared-use models and resource-efficient manufacturing. | Activities that extend the useful life of products and assets, including through repair, reuse, refurbishment, retrofitting, and remanufacturing. | Activities that recover materials for productive use, including collection, sorting, aggregation of materials and recycling. |

## CIRCULAR ECONOMY INVESTMENT IS LARGELY CONCENTRATED IN HIGH-INCOME COUNTRIES

**Between 2018 and 2024, LMICs received just $14 billion (7%) of total CEIT investment,** compared to $185 billion (93%) in HICs. Of investments with disclosed values, 14% of transactions were in LMICs, compared to 86% of transactions in HICs, reflecting the smaller average transaction size in LMICs ($22 million compared to $52 million in HICs).

**In LMICs, several large transactions drove a disproportionate share of investment volume.** Out of 633 LMIC transactions with disclosed values, just five accounted for nearly a quarter of LMIC investment volume.

## REGULATION IS ONE IMPORTANT DRIVER FOR UNLOCKING CIRCULAR INVESTMENT

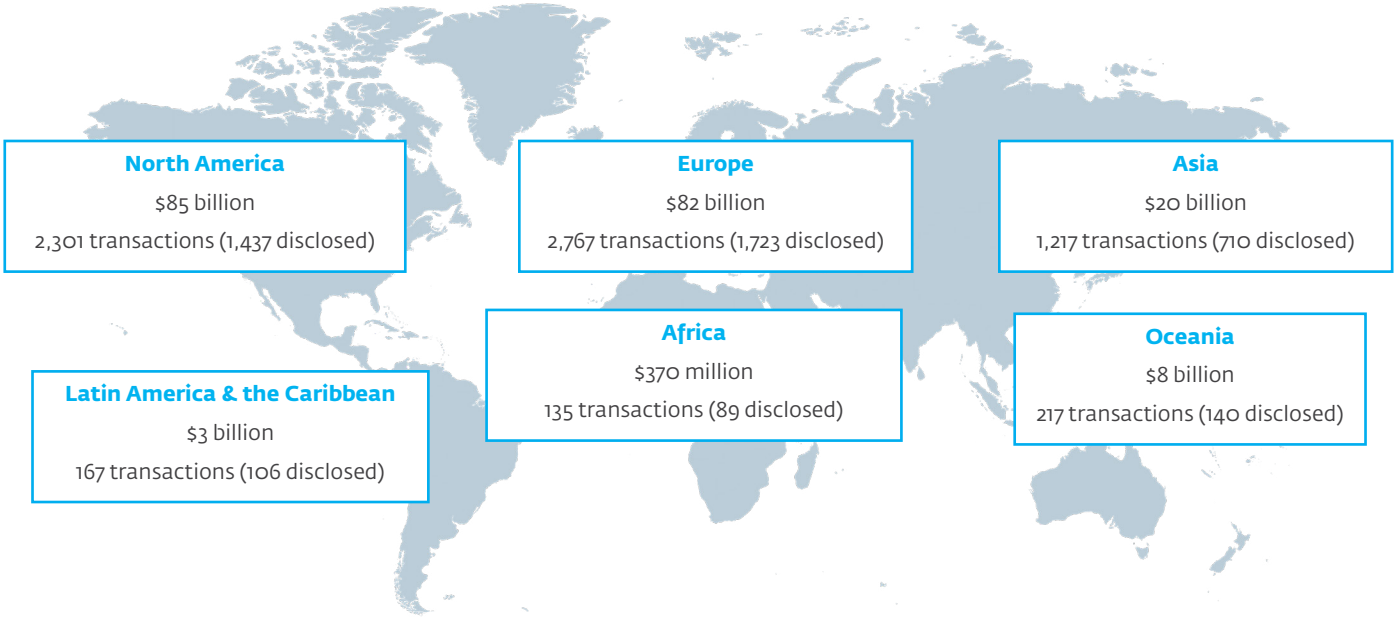
**Twenty of the top 25 CEIT investee countries had at least one type of circular economy roadmap.**[2] The presence of enabling policy frameworks—particularly Extended Producer Responsibility regulation and recycled content mandates—can create demand signals and greater revenue certainty for investors.

**However, policy alone does not guarantee investment flows.** Several economies with circular economy strategies did not rank among the top 25 CEIT investee countries. Market size, financing ecosystems, and the strength of policy implementation, among other factors, also influence whether enabling frameworks translate into investment at scale.

**Extended Producer Responsibility (EPR)** regulation shifts the responsibility for waste management from consumers and local authorities to producers, encouraging sustainable product design and lifecycle management.

[2]UNIDO/Chatham House Stocktake: UNIDO (United Nations Industrial Development Organization) and Chatham House. 2026. Global Stocktake of National Circular Economy Roadmaps and Strategies: 2025 Update. Vienna: UNIDO; London: Chatham House. https://www.unido.org/sites/default/files/unido-publications/2026-01/Stocktake%20CE%20Roadmaps%202025.pdf.

## REGIONAL DISTRIBUTION OF CIRCULAR ECONOMY INVESTMENT




### POLICY IN PRACTICE: THE EUROPEAN UNION

**The European Union's Circular Economy Action Plan (CEAP), adopted in 2020, is being implemented through binding measures including product design standards, mandatory recycled content requirements, reuse targets, and EPR for packaging and textiles.**[3] Europe accounted for $82 billion—41% of total CEIT investment—between 2018 and 2024, making it the largest region for investment alongside North America.

Beyond the European Union, the CEAP framework also shapes circular economy action in countries exporting to the region. As the **World Bank's Squaring the Circle** report notes, "Europe's policies will have significant global spillovers," with compliance increasingly becoming a prerequisite for market access.

### EPR IN EMERGING MARKETS

**Recent policy developments point to growing momentum in emerging markets.** Most new circular economy frameworks introduced since 2024 have been in developing countries.[6] As these frameworks are implemented, stronger governance will be key in shaping investment outcomes.

### REGIONAL SPOTLIGHT:

**Within LMICs, 87% of investment went to just five countries—**China, India, Mexico, Thailand, and Türkiye. These markets have large manufacturing bases linked to the three CEIT sectors and many introduced or were developing relevant circular economy policies during the 2018–2024 period.

- **Thailand** ($2 billion in CEIT investment) was the largest LMIC recipient in Southeast Asia. Its National Roadmap on Plastic Waste Management 2018–2030 set a target of recycling 100% of plastic waste by 2027. Of disclosed CEIT investment in Thailand, 85% was in packaging and 100% was in Value Recovery.[4]
- **Türkiye** ($1.5 billion in CEIT investment) has a large manufacturing base across all three CEIT sectors. With 41% of its exports going to the EU in 2024,[5] compliance with EU circular economy standards is a commercial imperative. Türkiye's Zero Waste Project, launched in 2017, created early momentum for waste separation, collection, and recycling.
- **India** ($944 million in CEIT investment) saw increased investment activity in 2022 alongside the phased introduction of its Plastic Waste Management and EPR framework, which created formal obligations for plastic packaging waste collection, recycling, and recycled content use.

### AFRICA SPOTLIGHT:

**Africa received just 0.2% of CEIT investment volume** ($370 million). In many African countries, formal EPR systems are limited or at early stages of implementation[7]. Compared to the LMIC average of 49%, a larger share of investment (58%) in Africa was classified as downstream. This downstream investment was concentrated in a large, later-stage transactions.

[3]EU Circular Economy Action Plan: European Commission. n.d. "Circular Economy Action Plan." Environment. https://environment.ec.europa.eu/strategy/circular-economy_en.
[4]Thailand Economic Monitor: World Bank. 2022. Thailand Economic Monitor: Building Back Greener. Washington, DC: World Bank.
[5]EU-Türkiye trade page: European Commission. n.d. "Türkiye." EU Trade Relationships by Country and Region. https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/turkiye_en.
[6] UNIDO/Chatham House Stocktake: UNIDO (United Nations Industrial Development Organization). 2026. Global Stocktake of National Circular Economy Roadmaps and Strategies.
[7]EPR Bangladesh: World Bank. 2024. Extended Producer Responsibility for Advancing Circular Economies for Plastics in Bangladesh. Washington, DC: World Bank. https://openknowledge.worldbank.org/server/api/core/bitstreams/de372618-f405-4750-9618-bacd3ccb5424/content.

The largest transactions spanned plastic recovery, glass manufacturing, and packaging production, including major investments in Kenya, Tanzania, Nigeria, and South Africa.

Of transactions in Africa with disclosed values, **60 out of 89 transactions were $1 million or below, and no single transaction exceeded $50 million.**

Unlike the top LMIC recipients, which have large manufacturing bases, **Africa accounts for just 2% of world manufacturing value added.**[8] Institutional factors, including the strength of property rights protections and contract enforcement frameworks, also vary across the region and may influence the risk perception for investors.

## MOST CIRCULAR ECONOMY JOBS ARE IN THE GLOBAL SOUTH, DESPITE LOW INVESTMENT FLOWS

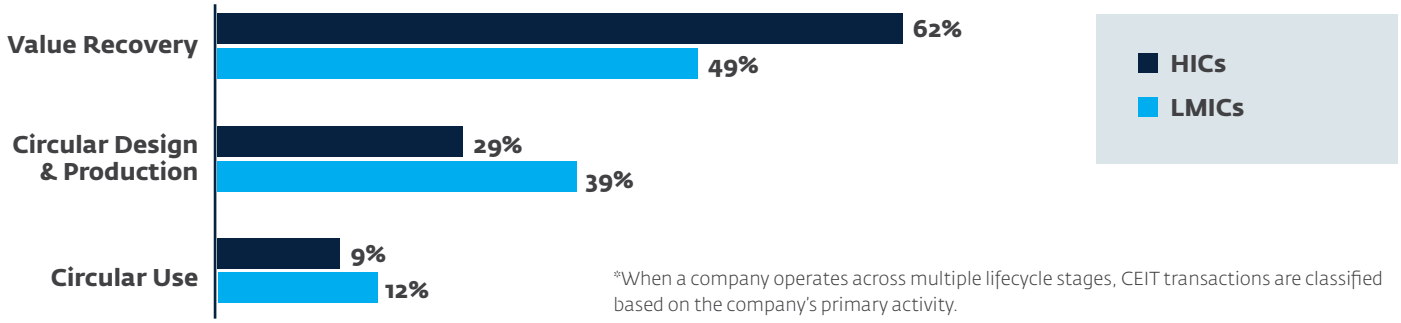
**The majority of the world's circular economy workers are in LMICs,** yet those markets received only 7% of tracked circular economy investment over 2018–2024—a paradox that reveals the scale of the financing gap and the size of the development opportunity. The CEIT data offers some insight into potential drivers, including differences in the structure of circular economy activities and the distribution of investment across the value chain.

**Circular economy activities in LMICs tend to be more labor-intensive.** Collection, sorting, and processing are often performed manually and at smaller scale, whereas in HICs, these activities are increasingly automated.

## IN LMICS, A GREATER SHARE OF INVESTMENT WAS DIRECTED TO UPSTREAM AND MIDSTREAM ACTIVITIES

**In LMICs, 51% of investment was directed toward upstream and midstream segments of the value chain,** which tend to support higher levels of employment. In HICs, by contrast, 62% of investment was concentrated in value recovery activities.

### CIRCULAR ECONOMY INVESTMENT BY LIFECYCLE STAGE*

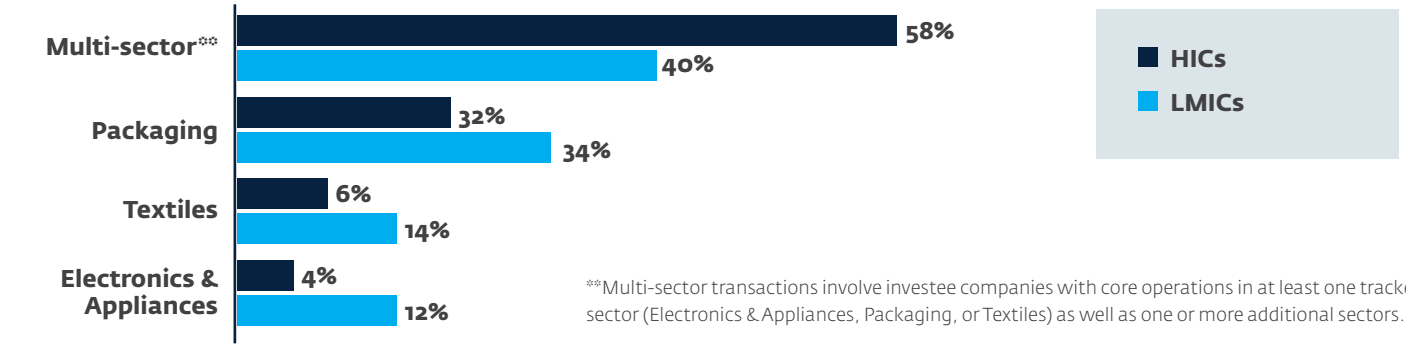



*When a company operates across multiple lifecycle stages, CEIT transactions are classified based on the company's primary activity.

## MULTI-SECTOR AND PACKAGING DOMINATED INVESTMENTS ACROSS BOTH COUNTRY INCOME GROUPS

**Multi-sector transactions—where an investee company operates across more than one CEIT sector—accounted for the largest share of investment in both market groups:** 58% ($108 billion) in HICs and 40% ($6 billion) in LMICs. Packaging was the largest single sector in both country-income groups, at 32% ($59 billion in HICs) and 34% ($5 billion in LMICs), likely reflecting the relative maturity of plastic waste regulation in many markets. Textiles and Electronics & Appliances captured a larger share in LMICs (26%) than in HICs (10%), corresponding with the concentration of electronics and textile manufacturing in these markets.

### CIRCULAR ECONOMY INVESTMENT BY SECTOR




**Multi-sector transactions involve investee companies with core operations in at least one tracked sector (Electronics & Appliances, Packaging, or Textiles) as well as one or more additional sectors.

[8]UNIDO, International Yearbook of Industrial Statistics 2023. Africa Highlights Factsheet. United Nations Industrial Development Organization. Available at: www.unido.org.

## CLOSING THE CIRCULAR ECONOMY INVESTMENT GAP IN LMICS

The CEIT provides a snapshot of private investment flows in the circular economy. Further scaling private investment, particularly in LMICs, will require addressing several barriers that continue to constrain the growth and distribution of capital. These include:

1. **Project Bankability:** In many sectors—including packaging, textiles, electronics, and construction—virgin inputs are cheaper than recycled materials, suppressing demand for recycled content. In LMICs, weak policies and underdeveloped collection systems compound this further, deterring private investment in recycling infrastructure and sustainable alternatives.
2. **Social Risks:** Informal workers—who represent the majority of circular economy employment in LMICs—are central to value chains but can create uncertainty for investors. Addressing associated risks and realizing the potential for inclusive job creation will require enabling policies, strong local partnerships, and context-specific approaches.
3. **Small Transaction Sizes:** Nearly half (45%) of all disclosed LMIC investments were below $1 million, reflecting smaller projects that do not often attract institutional investors.

**Addressing these barriers requires coordinated action across policy, finance, and market development.** Clear, enforceable policies—such as EPR and recycled content mandates—can strengthen demand certainty and create investable markets. In parallel, local and international financial institutions can play a critical role in aggregating projects and deploying innovative financial instruments to scale circular business models.

**The World Bank's "4I Policy Framework" of Institutions, Incentives, Information, and Investment, offers a structured roadmap for dismantling these market barriers.** It advances material decoupling by embedding circularity within government systems, aligning price signals with sustainability goals, sharpening decision-making through better data, and mobilizing investment from public and private sectors alike.

**The World Bank Group is uniquely positioned to accelerate the circularity transition by supporting policy reform, financing and advising governments and businesses, advancing global standards, and mobilizing catalytic capital.** By building pipelines of investable opportunities and strengthening enabling market conditions, the World Bank Group is helping to close the circular investment gap in LMICs and unlock the scale of investment needed for a more resource-efficient and inclusive global economy.

**Related Resources**

**IFC Circular Economy Investment Tracker (CEIT)**

**Harmonized Circular Economy Finance Guidelines**

**World Bank: Squaring the Circle Report**

**IFC and Circular Economy Finance: Two-Page Overview**

**IFC Circular Economy Finance Website**

**Questions? Reach out to us at circularity@ifc.org**

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