What is Circular Economy?
Linear Economy

The problem

**OVERCONSUMPTION OF RESOURCES**
Humans are consuming 1.7x more resources than the earth can sustain.
By 2050, as the population rises, we will need the equivalent of 3 planet earths.

**DAMAGE TO THE ENVIRONMENT**
Greenhouse gas emissions are causing harmful temperature rises.
Waste generation is set to rise by over 70% by 2050.

**PROSPERITY AT RISK**
Economic growth will fall as raw materials run out, temperatures rise, and natural disasters increase.

The solution

**A circular economy**
- **It reduces energy consumption and eliminates harmful emissions.**
- **It avoids use of non-renewable materials.**
- **It regenerates natural systems.**
- **It is designed for durability, efficiency, re-use, recycling.**

Source: Schroders 001978
Circular Economy

Circular Economy diagram showing the flow from raw materials, to products, to consumer, to waste hauling, to waste facility, and finally to landfill. The process includes recycling through chemical recyclers and reuse out of reuse + recycling outlets. Donation also plays a part in the circular economy. Industrial waste is shown as a return point.

Linear Economy

Linear Economy diagram showing the flow from raw materials, to products, to consumer, to waste hauling, to waste facility, and finally to landfill. The process includes recycling through chemical recyclers and reuse out of reuse + recycling outlets. Donation also plays a part in the linear economy. Industrial waste is shown as a return point.

Source: https://www.rts.com/resources/guides/circular-economy/
1. Hunting and fishing
2. Can take both post-harvest and post-consumer waste as an input

**Source**
Ellen MacArthur Foundation
Circular economy systems diagram (February 2019)
www.ellennmacarthurfoundation.org
Drawing based on Braungart & McDonough,
Cradle to Cradle (C2C)
Circular Economy in Lao PDR

Circular Economy Strategies for Lao PDR (2017)
- IREP (MEM) collaborated with UNDP to identify Circular Economy Strategies for Lao PDR (2017)
- 3 core CE strategic priorities
  - Circular manufacturing, textiles and waste management
  - Circular construction materials from forests
  - Circular agriculture and hydropower

National Green Growth Strategy (2018)
- MPI collaborated with the World Bank and GGGI on a National Green Growth Strategy in 2018
  - Prepared on basis of Green Growth Potential Assessment (GGPA) during 2016-2017
  - Recommended financial and economic incentives including payment for ecosystem services, environmental tax and fuel tax mechanisms
  - Promotes the use of agricultural sector waste as a raw material for organic fertilizers, soil enhancer or biofuel
9th National Socioeconomic Development Plan (2021–2025)

Outcome 4/ Output 2 - Environmental protection and sustainable natural resources management.

2.2. Priority Activities: Circular Economy
Mitigation ‘Lao PDR will also aim to further explore the mitigation potential of a circular economy including through material and product recirculation, circular business models, product resource efficiency, and prioritizing the use of regenerative material resources’.

Adaptation ‘means to prioritise domestic circular use of regenerative resources, closing nutrient cycles and enabling communities to become less reliant on vulnerable international value chains’.
Circular Economy Opportunities in Lao PDR
OUR WORLD IS ONLY 8.6% CIRCULAR.

https://www.circularity-gap.world/2022
The circular economy has a GDP potential of $16 billion and can create 1.6 million jobs.