

— CASE STUDY

Systemic shift towards circularity in the Armenian economy and society at large

Executive Summary

BACKGROUND

CirculUP! is a collaborative effort involving multiple organisations and partners. The project is led by Impact Hub Network, Impact Hub Yerevan, and the Environment and Health NGO, with funding from the European Union in Armenia. It is a comprehensive three year project that consists of several key components, mainly building capacity and raising awareness to popularise the circular economy concept in Armenia.

APPROACH

The action proposed is complex and multidimensional, aiming at a systemic shift in the Armenian economy and society towards circularity. It is focusing on empowering civil society as well as the entrepreneurial ecosystem to adopt Circular Economy principles and conscious environmental practices, while raising awareness across the country about the general concept of circularity and its positive impact on the environment through a multi-media, innovative and gendered approach.

CHALLENGE

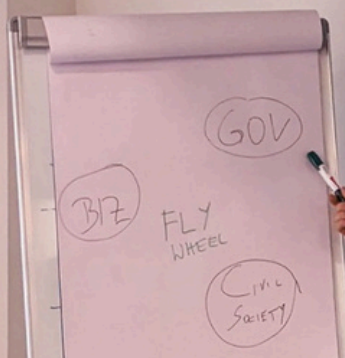
Armenia's shift toward a circular economy (CE) faces critical barriers. Public awareness of sustainability remains low, and existing green initiatives lack a systemic, circular focus. Limited engagement in policy-making further slows progress. Economic shocks from the COVID-19 pandemic and the 2020 war, combined with Armenia's landlocked geography and closed borders, have weakened key sectors and heightened the need for resource-efficient, localised economic models. While some programmes support green growth, there is an urgent need for integrated tools and strategies that enable widespread adoption of circular economy principles and drive systemic change.

RESULTS

- Systemic shift toward circular economy (CE) adoption across civil society, startups, and the public
- Armenian Circularity Coalition established, driving advocacy through training, policy dialogue, and visibility campaigns
- 60+ startups and 23 SMEs trained; selected businesses received financial support to implement circular models
- Community of Practice and localised toolkits promoted knowledge-sharing and sectoral innovation
- 1M+ Armenians reached via media and education campaigns, with strong public engagement
- CSO-led initiatives expanded CE awareness in schools, businesses, and communities

KEY PARTNERS

- European Union (Funder)
- Impact Hub Association (Lead Partner)
- Impact Hub Yerevan (Implementing Partner)
- Environment and Health NGO (Implementing Partner)



Challenges

Armenia faces a combination of economic, environmental, and structural barriers to transitioning toward a circular economy (CE). The CirculUP! Project targets these critical gaps to drive systemic change and promote a more resource-efficient, resilient, and sustainable economic model.

Limited public awareness and policy engagement

Public understanding of environmental issues, climate change, and sustainability policies remains low, limiting adoption of sustainable behaviours and advocacy for reform. While isolated green initiatives exist, a systemic approach to circularity is lacking. Additionally, civil society, businesses, and the broader public have limited opportunities to engage in environmental policymaking due to underdeveloped dialogue mechanisms.

Economic vulnerabilities and structural constraints

The COVID-19 pandemic and the 2020 Nagorno-Karabakh war reversed Armenia's pre-pandemic economic growth, leading to a 7.4% contraction. Ongoing political conflicts have left 80% of borders closed, inflating logistics costs and limiting competitiveness in international markets. These structural challenges highlight the need for localised, resource-efficient, and diversified economic models based on circular economy principles.

Sectoral gaps and opportunities

CiculUP! has identified three priority sectors for CE transformation:

- **Agrifood:** Despite contributing 9% of GDP, the sector lacks infrastructure for waste sorting and processing—representing major opportunities for efficiency improvements.
- **Tourism:** Accounting for 11.8% of GDP pre-pandemic, tourism offers potential for sustainable practices and circular business models that strengthen resilience.
- **Textile and clothing:** A strategic, female-dominated export sector facing inefficiencies in resource use and waste management, with strong potential for circular fashion innovation. With the recent end of Armenia's access to the EU's GSP+ preferential trade scheme, enhancing sustainability and adopting circular models can help the sector remain competitive and align with evolving international market standards.

Gaps in existing green initiatives

Existing efforts—such as GEFF, UNIDO's RECP practices for SMEs, and compliance programmes—address parts of the green transition but lack a comprehensive focus on circularity. There remains a critical need for integrated tools and mechanisms that drive systemic CE adoption across sectors.

OUR APPROACH

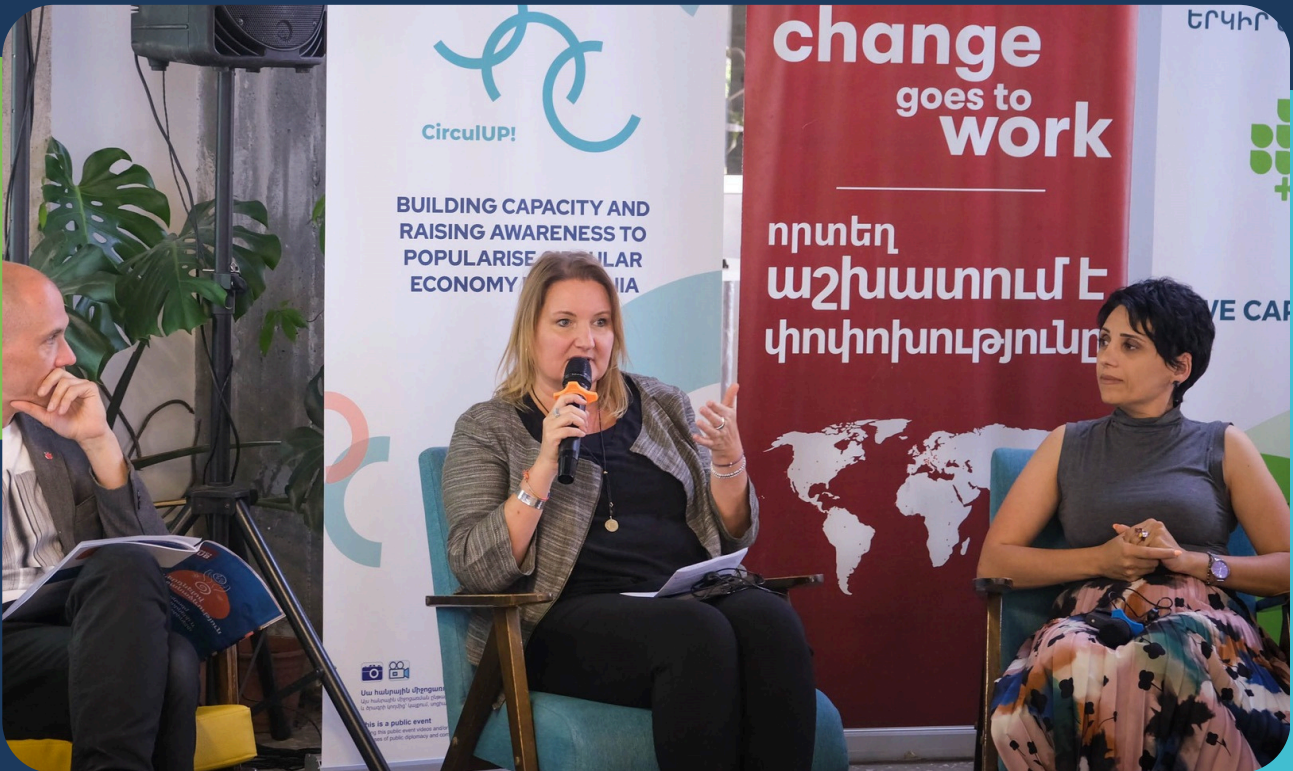
Understand

The CirculUP! project addressed the systemic challenge of transitioning Armenia to a circular economy (CE). The initiative aimed to embed circularity across the public, private, and policy landscapes, fostering sustainable, resource-efficient practices in key sectors such as agrifood, tourism, and textiles.

The key actors in the ecosystem included Impact Hub Yerevan, and other ESOs, Environment and Health NGO, and other CSOs, Media, Academia, government bodies like the Ministry of Economy and the Ministry of Environment, as well as experts, local businesses, and startups.

These actors, from diverse backgrounds and varying levels of influence, played complementary roles. So doing research and mapping all the key players as a first step was when the team could “understand” who should be engaged in the ecosystem building.





OUR APPROACH

Engage

In order to validate the core issue of circular economy adoption, CirculUP! engaged key stakeholders, including civil society organisations (CSOs), businesses, startups, media, government bodies, and academic institutions. These actors shared common concerns about the need for greater public awareness of CE principles, capacity-building for businesses to adopt circular models, and policy reforms to integrate circularity into Armenia's economic strategy. CSOs and businesses, in particular, expressed a need for practical training and funding support to facilitate the transition, while government stakeholders focused on aligning circular economy efforts with national sustainability goals.

Impact Hub Yerevan and the Environment and Health NGO led the charge on creating the ACEC, training the ESOs, and empower CSOs and SMEs and startups by offering training and financial support on business and civil society engagement. ACEC acted as a crucial platform for cross-sector collaboration and advocacy. Notably, the collaboration between government bodies and CSOs was an unconventional yet vital alliance, strengthening policy advocacy and public awareness.

Challenge statements identified during this phase included addressing the knowledge gaps around circular economy practices and finding ways to incentivise businesses to adopt resource-efficient models. While these stakeholders were well represented, the engagement of educational institutions was limited early on, but these groups were later brought into the conversation through the efforts of the ACEC members and CSOs, which received financial support from the project.

OUR APPROACH

Convene

To foster collaboration, CirculUP! convened stakeholders through various activities, including multi-stakeholder meetings, targeted workshops, financial grants, and the formation of the Armenian Circular Economy Coalition (ACEC). These activities encouraged dialogue between government bodies, CSOs, and businesses, and provided a platform for sharing knowledge and strategies. Active participation from Impact Hub Yerevan, civil society organisations, and government representatives was crucial in defining the shared vision for Armenia's circular economy transition.

The overarching goal was to create a cohesive ecosystem that integrated circular economy practices across business operations, public discourse, and policy. The coalition's establishment was pivotal in aligning the interests of key actors and fostering cross-sector collaboration.

While the convening process saw little resistance, the project did face challenges in harmonising the varying priorities of government and business stakeholders, particularly regarding the pace of circular economy integration. These issues were addressed through continued engagement and transparent communication channels, ensuring that all actors felt heard and involved in the process.



OUR APPROACH

Activate

The activation phase involved transitioning from planning to tangible action. CirculUP! focused on co-creating circular solutions through initiatives like business training programmes, policy advocacy campaigns, and the Circulathon event, which brought together entrepreneurs, students, and researchers to develop circular economy solutions.

One objective was to train 100 startups and SMEs in circular economy principles, while another sought to reach over 1 million Armenians through public awareness campaigns. The initiatives were supported by a robust monitoring framework that tracked engagement levels, business adoption rates, and policy influence. The Circulathon event, which resulted in 16 startup teams developing circular solutions, was a particularly successful co-creation initiative, receiving seed funding to further develop their ideas.



Consolidate

In this phase, CirculUP! focused on refining efforts and ensuring the sustainability of the ecosystem. Capacity-building programmes were offered to CSOs, businesses, and entrepreneur support organisations to strengthen their ability to drive circular economy initiatives. Ongoing financial support and mentorship for startups and SMEs provided them with the resources needed for long-term success.

Additionally, policy advocacy efforts continued, with the Armenian Circular Economy Coalition (ACEC) pushing for institutional changes and stronger integration of circular economy principles into government strategies. Key takeaways from this phase included the recognition of the importance of cross-sector collaboration and the need for ongoing capacity-building to maintain momentum.

Actions taken to ensure long-term success included continued support for ESOs, businesses, and CSOs, along with strengthening policy engagement to institutionalise circular economy principles at the national level. All the learnings are captured here in this case study, as well as the project's narrative report as a way to document insights.



OUR APPROACH

Amplify

The final phase of the ecosystem-building methodology focused on amplifying the successes of the CirculUP! project and ensuring its long-term impact. Successful practices, such as the development of the Circularity Toolkit and the extensive media and awareness campaigns, played a significant role in disseminating knowledge and fostering widespread adoption of circular economy principles. Reports, educational materials, and case studies were leveraged to share learnings with both local and international stakeholders. 10 CSOs received grants to do their own raising awareness campaigns in Armenia.

New collaborations emerged, particularly through the establishment of a Circular Economy Community of Practice, as well as the first international Circular Economy Forum which connected Armenian entrepreneurs and CSOs with global circular economy leaders, fostering knowledge exchange. Further, the growing media interest in circularity and the increased participation of businesses in circular economy initiatives signalled a measurable shift in Armenia's ecosystem.

The Ministry of Economy is collaborating with the team and Coalition members in implementing a research study on transitioning to an inclusive Circular Economy. The project not only accelerated the transition toward circularity but also strengthened Armenia's positioning as a regional leader in sustainability and green innovation. These efforts have laid the foundation for Armenia to continue progressing toward a circular economy in the years to come.

Impact

The CirculUP! Project is actively driving a significant transformation in Armenia's economy and society by embedding circular economy (CE) principles across civil society, entrepreneurship, and public awareness. What was once a little-known concept is now gaining widespread traction, positioning Armenia as an emerging regional leader in sustainability-driven reform.

Economic transformation and business innovation: Through the integration of CE principles into Armenia's business ecosystem, CirculUP! is fostering long-term economic resilience. Startups and SMEs are increasingly designing business models that prioritise resource efficiency, waste minimisation, and extended product life cycles. With 63 startups and 23 SMEs supported, circular practices are taking root in key sectors such as agrifood, textiles, and tourism, demonstrating that sustainability can drive profitability. Access to funding, mentorship, and green certifications is reinforcing this shift. Initiatives like green incubators, CE-certified trainers, and discussions on circular policies highlight a growing ecosystem where sustainability is becoming mainstream business practice.

Civil society as a driver of change: The formation of the Armenian Circularity Coalition has positioned civil society organisations (CSOs) at the forefront of the circular economy movement. CSOs are evolving from sustainability advocates to active facilitators, educators, and policy influencers. By fostering collaboration among policymakers, businesses, and communities, the coalition is accelerating systemic change. Ongoing engagement with government bodies, including the Ministries of Economy and Environment, is embedding circular economy principles into national strategies, steadily influencing governance, business operations, and social norms.

Shifting public consciousness: Public awareness and behavioural shifts are a hallmark of CirculUP!'s impact. Large-scale media campaigns, educational outreach, and community events have reached over 1 million Armenians, embedding circularity into everyday conversations. Programmes led by CSOs, universities, and businesses are further integrating CE principles into schools, workplaces, and local communities. Interactive initiatives like the Circulathon and local storytelling campaigns are making circularity relatable and actionable, ensuring that momentum continues to grow across diverse audiences.

Outcomes

Building circular economy understanding and application across society

The CirculUP! Project has successfully initiated a systemic shift toward circular economy (CE) adoption in Armenia by engaging civil society, the business community, and the wider public. Through structured interventions, capacity-building efforts, and widespread awareness campaigns, Armenia is steadily progressing toward an integrated CE model.

Strengthened civil society engagement

- **Formation of the Armenian Circularity Coalition:** A broad coalition of CSOs, academia, and private sector actors was established to advocate for CE at a national level.
- **Capacity Building and Policy Advocacy:** Coalition members received targeted training on CE principles and advocacy strategies, strengthening their role as national change agents. Engagements with the Ministry of Economy and Ministry of Environment positioned civil society as a key stakeholder in shaping CE policy.
- **Increased Public Visibility:** A coordinated communications strategy has elevated CE discourse in public and media narratives, enhancing public understanding and support.



Outcomes

Empowered entrepreneurial ecosystem for circular innovation

- **Research and Sector Mapping:** Studies identified key sectors—agrifood, textiles, and tourism—for CE integration, guiding policy and investment focus.
- **Development of Support Infrastructure:**
 - The Circularity Toolkit was adapted for Armenian entrepreneurs.
 - Entrepreneur Support Organisations (ESOs) received training to embed CE into their programs.
 - A Circular Economy Community of Practice was launched to connect Armenian and international actors.
- **Financial and Technical Support:**
 - Over 60 startups and 23 SMEs were trained in CE practices.
 - 10 circular startups received €10,000 each in funding and mentoring support.
 - 6 SMEs were granted up to €50,000 each for implementing CE models.
- **Circulathon 2024:** A hackathon-style event engaged 16 startup teams to co-develop CE solutions, with top teams securing seed funding for implementation.

Increased public awareness and adoption

- **Public Awareness Campaigns:** Over 1 million Armenians were reached through social and traditional media, with 15,500+ direct engagements indicating rising interest.
- **Media and Educational Outreach:**
 - National TV and radio platforms featured CE discussions and event highlights.
 - Five international CE videos were translated into Armenian.
 - Ten global CE case studies were produced, with additional Armenian stories in development.
- **CSO-Led Initiatives:**
 - 10 CSOs received €12,500 each in funding to implement CE-focused campaigns across schools, universities, businesses, and communities, amplifying reach and long-term impact.



Thank you!



Inspired by the work we do?
Get in touch with us to start your
journey toward making an impact!