

JUST TRANSITION CASE STUDY

REDI RECYCLING, NORTH MACEDONIA



From Informal Collector to Green Economy Actor: Formalizing Waste Workers and Building Inclusive Circular Markets

Programme: RECONOMY (HELVETAS / Sida)	Country: North Macedonia (Western Balkans)
Sector: Circular Economy / Waste Management	Market actors and partners: REDI Recycling (social enterprise)
Intervention Period: 2021-2025	JT Dimensions: Social Inclusion, Skills Development, Sector Transformation

CONTEXT AND JUST TRANSITION RELEVANCE

North Macedonia generates approximately 916,000 tonnes of waste annually, with only **0.3% recycled**. An estimated **4,500 informal waste collectors** — the majority Roma — fill a critical gap in the system, yet work without contracts, social protection, or health insurance. In Skopje alone, some 1,500 people depend on informal waste picking for their livelihood. Despite their economic contribution, these workers remain invisible to the formal system, exposed to health and safety risks, and excluded from legal labour protections. These waste collectors remain informal because of a missing aggregation function in the market system: there is no clear intermediary to bring them into the formal economy in a way that makes economic sense.

As an **EU accession candidate**, North Macedonia faces growing pressure to align its waste sector with the EU acquis — including the **Waste Framework Directive**

(targeting 55% municipal recycling by 2025, rising to 65% by 2035), the **WEEE Directive** on e-waste, and **Extended Producer Responsibility (EPR)** schemes. The EU Green Agenda for the Western Balkans (2020) reinforces these obligations, accelerating sector formalisation and consolidation. This creates a **double-edged dynamic**: stricter licensing, equipment, and reporting standards raise the bar for sector participation, risking the exclusion of informal collectors who cannot meet these requirements independently.

REDI Recycling is a social enterprise established in 2020 that RECONOMY has supported since inception — providing training, equipment, business model development, and market linkages to formally employ Roma informal collectors and equip them to operate within an increasingly regulated sector.



JUST TRANSITION ACTIVITIES

Reconomy chose to work with REDI because it was an existing market actor with potential to grow into a viable intermediary that could aggregate informal collectors, meet compliance standards on their behalf, and connect them to buyers of key waste streams. Reconomy's activities were aimed to build that capability while shifting REDI's behaviour towards formalized employer that results in improved quality of existing jobs.

In the period 2023-2026, Reconomy supported REDI with a range of different activities ranging from training courses on waste collection for informal waste pickers to providing the right infrastructure for waste collection. The technical activities were accompanied by advocacy activities supporting REDI to establish relationships with local municipalities, and an awareness raising campaign focusing on different layers, related to engagement with REDI, support on how to separate waste, as well as a campaign with primary schools.

1. Formalizing Informal Workers

RECONOMY supported REDI to train **7 informal collectors** from Roma communities in waste management, health & safety, and business operations, and to formally employ **11 of them**. Formal employment delivered stable income with predictable hours, access to **health and social insurance** and proper safety equipment, and recognition as professionals within the national waste management system. They also provide the necessary collection infrastructure in the form of tricycles.

2. Revenue Diversification: Adaptive Pivot to E-Waste

When plastic prices crashed, REDI paused operations for three months to reassess. With RECONOMY support, it pivoted to **non-hazardous e-waste collection** — an emerging, less price-volatile segment aligned with growing EPR obligations. A partnership with an e-waste warehouse provided a stable, fee-based revenue stream, keeping collectors employed and demonstrating that **social mission can survive market volatility** when the business model can be adapted to changing circumstances. The RECONOMY-supported response illustrates that it was not enough to create green jobs, but also to ensure that those jobs are **stable in changing market conditions**.

3. Demand Creation: Awareness and Systems Change

A three-layer public awareness campaign engaged **518 households** in waste separation at source, reached **200 children in 9 primary schools** (in partnership with GoGreen NGO), and produced motivational videos normalizing the role of Roma collectors as recognized professionals in the city's waste system. These campaigns are key to generating consumer demand for separated-waste collection, which is key to REDI's business model. So these early household adopters represent signals of demand for a service that previously had no paying customer base.

4. Digital Inclusion of Women Entrepreneurs

From 2023, REDI developed an **e-commerce platform** for women and other entrepreneurs operating in the grey economy, with coaching on pricing, digital marketing, and outreach. The platform is being upgraded with AI-assisted features and will be regionalized across the Western Balkans. After assessing the piloting phase of the first phase of REDI Recycling, the RECONOMY program proposes to scale up the REDI Recycling activities by adding value to the collected waste

materials and using the circular economy for recycling and upcycling plastic into a final product. A first PR campaign to promote the platform across North Macedonia started in 2026. the company is looking at determining ways in which a digital app could link households with collectors not only when it comes to collecting plastic or paper but to raise awareness of people for the importance and meaning of separating plastic and paper. It works primarily with informal waste collectors, disadvantaged Roma women and youth.



KEY RESULTS

11

Formal jobs created
(Roma)

498

Buildings in
collection network

518

Households
separating waste

200

Children reached in
9 schools

Long term impacts on jobs created: 2 collectors progressed to positions at state institutions; 3 were hired by private sector companies, 5 additional placements are pending with municipalities.

“With REDI Recycling, Bajram had become a formalized waste collector, visible to the system, and obtaining social and health benefits for the first time.”



SCALE AND SUSTAINABILITY: MARKET SYSTEM DEVELOPMENT IMPLICATIONS

The REDI model shows how a social enterprise can grow into a commercially viable intermediary between informal waste pickers and buyers of different waste products, while navigating changing regulations and market shocks.

Adaptive business models, including the shift to private supply chains and service based models for municipalities: After the shift in government in North Macedonia, REDI transitioned from municipal contracts to direct supplier relationships with private waste companies, reducing dependence on public funding and improving commercial resilience. At the same time, municipalities now directly contract the REDI trained workers. They pay REDI for the training of the workers and rent the REDI owned tricycles, as a means to formalize informal actors.

New specialist service niche: REDI functions as a sub-contractor for targeted waste fractions (e-waste, select recyclables), complementing municipal utility services — a model for task-specific outsourcing through a Business to Business Approach.

A particularly promising innovation under development is a **small levy added to household waste management bills**, channelled to REDI in exchange for collecting specific waste fractions. This would: (i) give REDI a formal **mandate and guaranteed building access**; (ii) create a **sustainable, market-derived revenue stream** independent of donor finance; and (iii) set a **regulatory precedent** for recognizing specialized social collectors within North Macedonia's formal waste system. EU accession pressure to improve recycling rates and adopt EPR schemes creates a policy window of opportunity to anchor this model in regulation, ensuring that compliance with European standards goes hand-in-hand with inclusion of marginalized workers, rather than displacing them.

Replication across the Western Balkans: Replicating the waste formalization model faces regulatory challenges. Albania represents the nearest opportunity for the waste formalization model. Kosovo and Serbia face higher regulatory and political barriers in the short term. The transferable core is not the exact REDI model, but to understand if there are intermediaries and existing business models that can provide formalization, training, and supply-chain linkages for marginalized collectors. However, careful analysis of the market structures in each country needs to happen to find out where the best entry points are.

The e-commerce platform offers the most immediate regional scaling potential and is already being regionalized, with REDI engaging entrepreneurs across the Western Balkans and a PR firm driving cross-border promotion. It is a matchmaking platform that gathers youth, women and Roma entrepreneurs in general at a marketplace where they can sell their products. At the moment it gathers around 70, till the end of July there will be 250 businesses at this platform, with a plan to be scaled to Albania and Kosovo by the end of the year. By facilitating access to digital markets, the project strengthens livelihoods, enhances financial independence, and addresses structural barriers faced by marginalized communities. The initiative prioritizes economic empowerment alongside social inclusion, ensuring that Roma women can participate meaningfully in emerging green and digital economies.

In line with Do No Harm principles, the intervention was informed by participatory focus group discussions conducted within Roma communities. These consultations ensured that the design of the platform and support services was culturally appropriate, conflict-sensitive, and responsive to community needs.