EXECUTIVE SUMMARY

Rapid growth in smartphone use has unleashed a very significant environmental and social problem. The mass production of these devices leads to overexploitation of critical minerals and high carbon dioxide (CO_2) emissions. The problem is further compounded by the inappropriate disposal of these phones, creating large volumes of highly polluting waste electrical and electronic equipment (WEEE). In Latin America and the Caribbean—particularly in Colombia where 38,000 tons of e-waste was generated in 2022—recycling infrastructure remains limited. Meanwhile, the digital divide persists and 32% of the region's population has no access to the Internet. For low-income households, the cost of purchasing a smartphone represents a significant percentage of monthly income.

This scenario presents a relevant opportunity to support a business model that offers environmentally responsible solutions to meet the growing demand for accessible technology, while simultaneously contributing to companies' fulfillment of their regulatory obligations. Refurbi Colombia S.A.S. (hereinafter "Refurbi") proposes a model that fully addresses these challenges, combining environmental sustainability, economic efficiency, and a focus on social impact, with potential for scalability and returns.

The proposed project seeks to consolidate and scale up Refurbi's circular economy model[1] through the refurbishment of mobile telephones. The proposal helps to reduce environmental impact by extending the useful life of the devices, reducing the need to manufacture new equipment and thereby reducing the use of natural resources, greenhouse gas emissions, water consumption, and the generation of e-waste. Simultaneously, the model facilitates access of the low-income population to affordable technology, helping to close Colombia's digital divide through partnerships with retailers, affordable financing plans, and the expansion of distribution channels.

Founded in 2018, Refurbi is the leader in Colombia's smartphone refurbishing industry. With a diversified operating structure and a nationwide presence, the company offers high-quality devices that are backed by guarantees at prices that are between 20% and 60% lower than the cost of new smartphones. The Social Entrepreneurship Program will issue a senior loan of up to US$2 million with a term of five years. The funds will be used to expand inventory, set up a refurbishment plant in a free trade zone, implement software, open brick-and-mortar stores, and launch a microfinance pilot program.

The project expects to open 16 brick-and-mortar stores, implement three specialized software packages, and open a refurbishment plant. It will also launch a microfinance product and expand its marketplace platform. The project's main impacts will include the sale of 359,700 refurbished smartphones, resulting in a reduction of 40 tons of e-waste and 17,700 tons of CO_2, the extraction of 55,331 tons of raw materials, and 26.9 cubic hectometers in water savings. Furthermore, 45,600 devices will be sold at a cost equal to or less than the legal minimum monthly wage, thereby increasing access to technology in vulnerable areas.

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[1] The circular economy is an economic model that seeks to decouple growth in consumption from finite resources by promoting the reuse, repair, refurbishment, and recycling of products and materials. Unlike the traditional linear "take, make, and dispose" model the circular economy promotes a system designed to be regenerative, in which the value of resources is kept in use as along as possible, reducing waste, emissions, and pressure on ecosystems. This approach creates new economic opportunities while contributing to environmental sustainability and social resilience.